



## **Annual Report 2008/2009**

**Cllr. D. P. Molokwane**  
**Executive Mayor: Merafong City Local Municipality**

It is my pleasure to submit the Annual Report of Merafong City Local Municipality for the financial year 01 July 2008 to 30 June 2009 for consideration by Council.

To the best of my knowledge, the contents of the report are consistent with the disclosure principles contained in the Guide for the preparation of Annual Reports issued by National Treasury. This report seeks to portray the municipality's activities during the financial year under review and is based on sound underlying municipal information and management systems.

In presenting this report we acknowledge progress made during the 2008/2009 Financial Year as well as the challenges identified

**J. M Rabodila**  
**Acting Accounting Officer**

**January 2010**

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# Chapter 1

## INTRODUCTION AND OVERVIEW



Merafong City  
Annual Report 2008/2009

# 1.1 Foreword by the Executive Mayor



CLLR. D P Molokwane  
Executive Mayor

*The end of this financial year saw South Africans renewing the ANC's mandate to govern the Republic. As a direct result of this development a new administration come into power in April 2009.*

*While National and Provincial government is busy prioritizing on deliverables in line with the new mandate to govern the country for the next five years we at the coal face of service delivery are moving towards the 2011 elections.*

*So for us the honey moon is over and we have an obligation to deliver quality service on election promises made in 2006.*

As part of the process to cultivate a culture conducive for us to deliver on a mandate coming to an end soon we should talk less and focus more on attending to all needs as prioritized in the I.D.P.

To achieve this noble objective we ought to deal with the following challenges effectively:

- The deteriorating state of our supply chain section and the damage it does to our credibility need to be sorted out now.
- The challenges presented by the demarcation process need to be attended to in a realistic and responsible manner to avoid it becoming a crisis too big for Government spheres to handle.
- The selling of Merafong as unique and vibrant brand would do better with the relevant section playing its part effectively.
- The role of communication is essential for maximum interaction with all stakeholders as our failure to deal with this will give credibility to rumours and speculations.
- Motivation with incentives is necessary to encourage those able to pay for services do so and avoid hiding behind the poor.
- We need to effectively discourage the disturbing culture of entitlement developing among our workers, politicians, business and other stake holders.
- Pro actively manage our transition to Gauteng or the run the risk of the process managing us

It is our responsibility, as political principals, to ensure that the administrative arm of the municipality is capacitated with the right skill and competencies as front line service providers to our community.

Harold S Geneen explains it better in the following statement, **"It is an immutable law in business that words are words, explanations are explanations, promises are promises – only performance is reality."**

I'm humbled by the support you all provided as administration ,stakeholders, political parties to enable us to deliver on the mandate given to us to be of service to residents of Merafong. It has been an honour to serve with people of your caliber.

Thank you for your support and I value the contributions you all made during our success and my apologies to you for the times I have fallen short of your valid expectations.

This report details how we have moved on during the course of 2008/2009 to deliver services to the communities of Merafong in compliance with legislation and in line with our mandate.

Cllr. D. P. Molokwane  
Executive Mayor

December 2009

## MAYORAL SPECIAL PROJECTS

ACTIVITIES PERFORMED	ACHIEVEMENTS	CHALLENGES
<b>INSTITUTIONAL SUPPORT</b>		
Recruitment of volunteers for the on going door to door HIV and AIDS awareness project.	<ul style="list-style-type: none"> <li>- 41 Volunteers recruited on a twelve month contract.</li> <li>- Efficient implementation of the HIV and AIDS project. Provision of stipend sustained.</li> </ul>	Insufficient funds to recruit more volunteers to accommodate vast wards.
<b>PUBLIC AWARENESS</b>		
National Condom Awareness week	<ul style="list-style-type: none"> <li>- 3140 people reached</li> <li>- 1570 condoms distributed</li> </ul>	
TB Awareness campaign. Massive door-to-door campaign in collaboration with the sub-district Department of Health and Khomanani from 23 – 27 March 09	<ul style="list-style-type: none"> <li>- 38 referrals made</li> <li>- 1788 people reached</li> <li>- 683 households reached</li> </ul>	
National condom and STI awareness campaign held from 9 – 13 February 09	<ul style="list-style-type: none"> <li>- 161 people attended</li> <li>- On-site TB investigation and VCT provided</li> <li>- Effective dissemination of information achieved</li> </ul>	VCT and TB investigation service not optimally utilized
National Care Week door-to-door campaigns	<ul style="list-style-type: none"> <li>- 3140 people reached</li> <li>- 1570 male condoms distributed</li> <li>- Campaigns continued in collaboration with local NGOs.</li> <li>- Campaign statistics:                             <ul style="list-style-type: none"> <li>□ Households reached – 956</li> <li>□ People reached – 2869</li> <li>□ Orphans referred – 40</li> <li>□ General referrals – 116</li> </ul> </li> </ul>	
Pregnancy Awareness week	<ul style="list-style-type: none"> <li>- Awareness campaigns held in high schools in Merafong City</li> <li>- Learners in eight schools in Merafong City were reached</li> </ul>	
Family Disclosure Awareness	<ul style="list-style-type: none"> <li>- 408 people reached in the awareness creating campaigns held in clinics in Khutsong, Wedela and Kokosi from 9 – 13 March 2009</li> </ul>	



ACTIVITIES PERFORMED	ACHIEVEMENTS	CHALLENGES
<b>PUBLIC AWARENESS (Cont.)</b>		
National Candle Light Memorial Event	<ul style="list-style-type: none"> <li>- Memorial event celebrated on 22 May 2008</li> <li>- ± 700 people attended the event</li> </ul>	
School Peer Education workshop	<ul style="list-style-type: none"> <li>- 75 Peer educators from surrounding high schools attended the workshop</li> </ul>	
Annual take a Girl Child to Work campaign	<ul style="list-style-type: none"> <li>- A total number of 20 orphaned girls placed in different management offices</li> </ul>	
HIV and AIDS awareness campaigns for commercial sex workers	<ul style="list-style-type: none"> <li>- Educational talks held in collaborations with Khomanani</li> <li>- A total number of 71 commercial sex workers reached</li> <li>- 5 Referrals made</li> </ul>	
Taxi rank awareness campaign	<ul style="list-style-type: none"> <li>- Awareness campaigns implemented on 17 – 18 July and 6 – 8 October 2008 in Wedela, Kokosi, Carletonville and Fochville</li> <li>- People reached <ul style="list-style-type: none"> <li>□ Male – 724</li> <li>□ Female – 806</li> <li>□ Youth - 1828</li> </ul> </li> </ul>	
Installation of condom dispensers in municipal toilets	<ul style="list-style-type: none"> <li>- 48 Condom dispensers purchased and installed in identified toilets.</li> </ul>	
World Aids Day 2008 <ul style="list-style-type: none"> <li>- Volunteer training</li> </ul>	<ul style="list-style-type: none"> <li>- 150 Volunteers trained to participate in the door-to-door campaign in collaboration with the DoH, DSD, SASSA, HBC's</li> <li>- Awareness campaign held 24 – 28 November 2008</li> </ul>	Insufficient transport for attendants to identified areas
WAD Door-to-door awareness campaign	<ul style="list-style-type: none"> <li>- 150 Volunteers participated</li> <li>- Campaign promotional material provided</li> <li>- Areas reached: <ul style="list-style-type: none"> <li>□ Khutsong</li> <li>□ Wedela</li> <li>□ Kokosi</li> <li>□ Mining areas</li> </ul> </li> </ul>	Inadequate catering for community members who turned up in large numbers.

ACTIVITIES PERFORMED	ACHIEVEMENTS	CHALLENGES
<b>PUBLIC AWARENESS (Cont.)</b>		
WAD Door-to-door awareness campaign (Cont.)	<ul style="list-style-type: none"> <li>- Campaign statistics: <ul style="list-style-type: none"> <li>□ 4,124 houses reached</li> <li>□ 14,802 people reached</li> <li>□ 338 orphans reached</li> <li>□ 5,621 condoms distributed</li> <li>□ 3,412 stickers distributed</li> <li>□ 5,2-7 pamphlets distributed</li> </ul> </li> <li>- Commemorative event held at the Popo Molefe Stadium on 1 December 08. ± 1,017 people attended</li> <li>- Effective dissemination of information achieved</li> </ul>	
World Elderly Abuse awareness occasion held in collaboration with the DoH, SAPS, Dept of Justice, AngloGold Ashanti Gold mine and Dept of Social Development	<ul style="list-style-type: none"> <li>- 300 elderly persons attended</li> <li>- 300 blankets donated by the municipality and AngloGold Ashanti were handed to elderly citizens attending the event.</li> </ul>	
<b>CAPACITY BUILDING</b>		
HIV and AIDS community workshop	<ul style="list-style-type: none"> <li>- A two-day workshop held in collaboration with the Dept of Social Development, DOH, SASSA and Home Based Care Centres</li> <li>- Targeted 200 people reached</li> </ul>	
Launch of ward based WIPAA forums	<ul style="list-style-type: none"> <li>- Ward based forums launched in Kokosi, Wedela and Khutsong</li> <li>- 112 women participated</li> </ul>	
HIV and AIDS training for men on 22 May 2009. Workshop facilitated by SAMAG on basic HIV and AIDS, prevention and positive living.	<ul style="list-style-type: none"> <li>- 50 males from around Merafong City attended</li> </ul>	
41 Recruits trained on basic HIV and AIDS, STI, TB, CCMT and updated reporting format. Training in collaboration with DoH, SAPS and WRDM	<ul style="list-style-type: none"> <li>- 4 Supervisors and 37 volunteers attended</li> </ul>	

ACTIVITIES PERFORMED	ACHIEVEMENTS	CHALLENGES
<b>CAPACITY BUILDING (Cont.)</b>		
Nutritional support and poverty alleviation for PLWHA	- More food gardening projects started at the official residence of the Executive Mayor in collaboration with the parks section	
<b>PLWHA AND ORPHAN SUPPORT</b>		
Material support for orphaned matriculants	- Matric farewell items purchased for ten indigent orphans in Thuto Kitso, Wedela, Badirile, Relebogile and Tsasongu high schools	Insufficient funds to extend assistance to more needy pupils
Food parcels donated by local business person distributed by the office of the Executive Mayor	- Assistance to 20 beneficiaries sustained	An increasing need to extend support to more families
<b>INDIGENT BURIAL</b>		
Decent burials for the indigent	- 16 Indigent families assisted @ R750 burial service	

## 1.2 MERAUFONG CITY – DEMOGRAPHIC INFORMATION

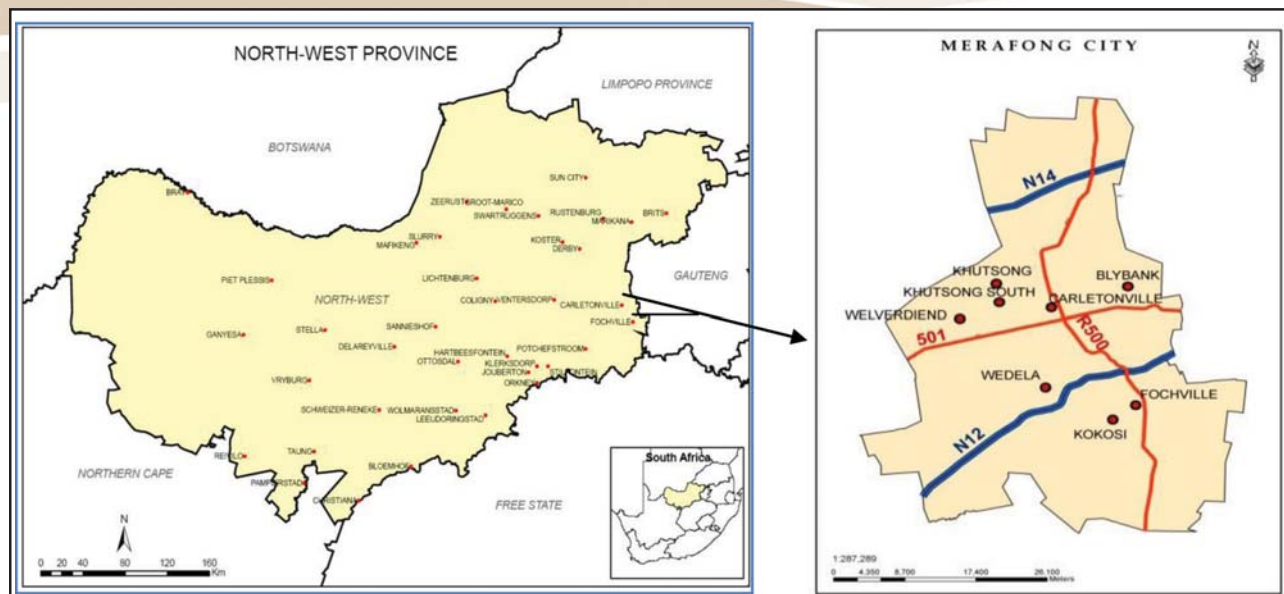
### DEMOGRAPHIC PROFILE

Merafong City Local Municipality is situated in the North West Province falling under the Southern District Municipality (Dr Kenneth Kuanda District Municipality).

The following areas are included in the municipality:

- Carletonville
- Fochville
- Wedela
- Khutsong
- Kokosi
- Greenspark
- Welverdiend
- Blybank
- Rural Areas
- Mining Towns including
  - Blyvooruitzicht
  - Doornfontein
  - Deelkraal
  - Elandsrand
  - Bentley Park (Cementation)
  - East and West Driefontein
  - Western Deep Levels

MUNICIPAL CODE	NW 405
SIZE OF MUNICIPAL AREA	1631,7km
WARDS	26km <sup>2</sup>



The Southern District Municipality has an estimated population of 810,160

## POPULATION OF MERAFONG CITY:

Statistic South Africa	210,901
Own Information	287,607

(Figure reflect Table 1.2.1 plus Table 1.2.2)

Source: Statistics South Africa 2001

## POPULATION STATISTICS

Table 1.2.1 Proclaimed Towns

Proclaimed Townships	Population	Nr of Houses	Informal structures	Backyard dwellers	Residential stands	Business stands	Industrial stands
Carletonville	28,090	5,292	326	N/A*	5,322	195	168
Wolverdiend	2,840	528	40	N/A*	943	89	33
Blybank	950	190	N/A*	N/A*	2,832	62	18
Khutsong (incl Khtusong South)	139,850	8,485	11,000	8,485	8,912	33	81
Fochville	15,015	3,003	N/A*	N/A*	4,247	124	119
Kokosi	29,740	3,854	1,594	500	4,443	37	0
Greenspark	3,655	343	22	366	395	6	0
Wedela	9,565	1,436	79	398	5,309	19	0
<b>TOTAL</b>	<b>229,750</b>	<b>23,131</b>	<b>13,061</b>	<b>9,749</b>	<b>32,403</b>	<b>565</b>	<b>419</b>

Source: Merafong City Town Planning Section (\*N/A indicates not available)

Table 1.2.2 Mining Towns

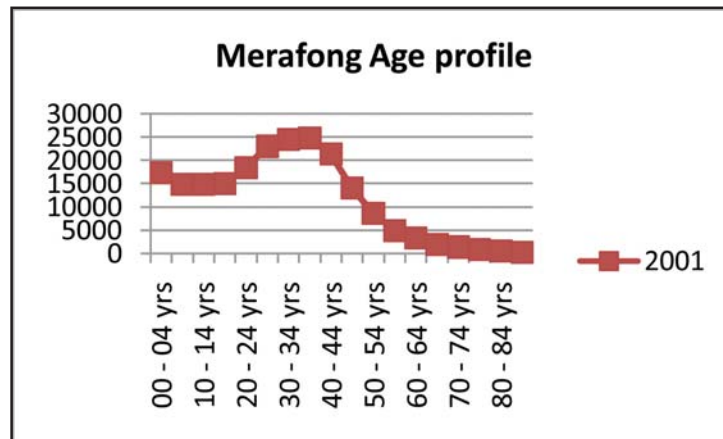
Proclaimed Townships	Population	Nr of Houses	Informal structures	Backyard dwellers	Residential stands	Business stands	Industrial stands
Blyvooruitzicht	7,060	1,009	303	0*	0*	0*	0*
Cementation	60	12	0	0*	0*	0*	0*
Deelkraal	2,030	406	0	0*	0*	0*	0*
Elandsrand	5,275	465	0	0*	0*	0*	0*
Doornfontein	2,495	79	0	0*	0*	0*	0*
Driefontein	26,264	842	2,400	0*	0*	0*	0*
Western Deep Levels	9,853	294	274	0*	0*	0*	0*
<b>TOTAL</b>	<b>53,037</b>	<b>3,137</b>	<b>2,977</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Source: Merafong City Town Planning Section (\*Unproclaimed Townships)



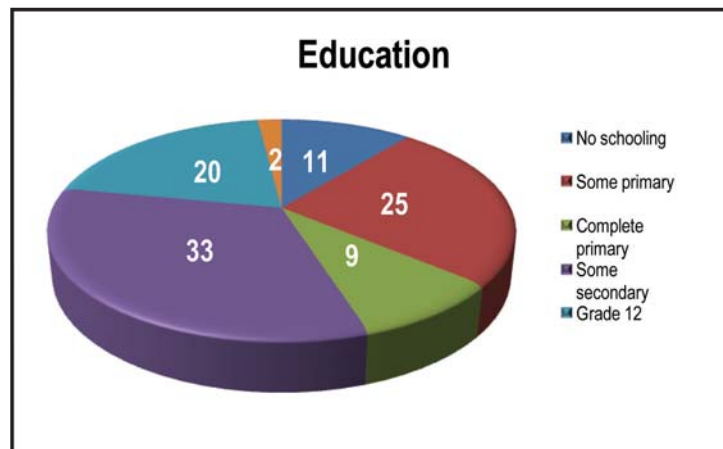
## SOCIAL PROFILE

1. Merafong population profile is male-dominated (measured in 2001), mainly due to in-migration of male workers in mining industry; Male - 57% and Female - 43%
2. The largest proportion of population is between the ages 15 – 64 years, which represents the economically active population; 75% in 2001 and 73% in 2007.



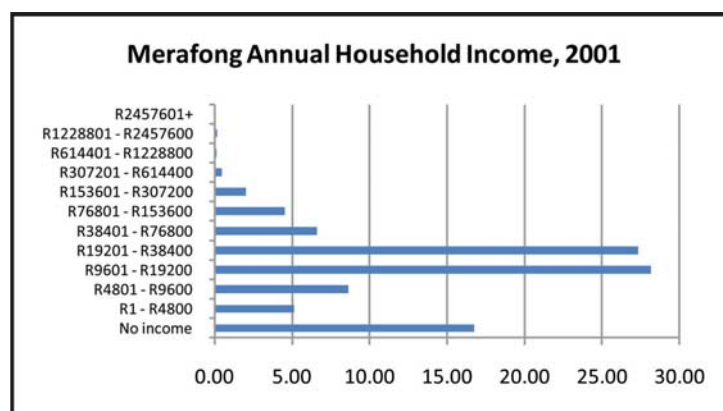
Source: Merafong Growth & Development Strategy, 2008

3. Estimated education profile for 2007:



Source: Merafong Growth & Development Strategy, 2008

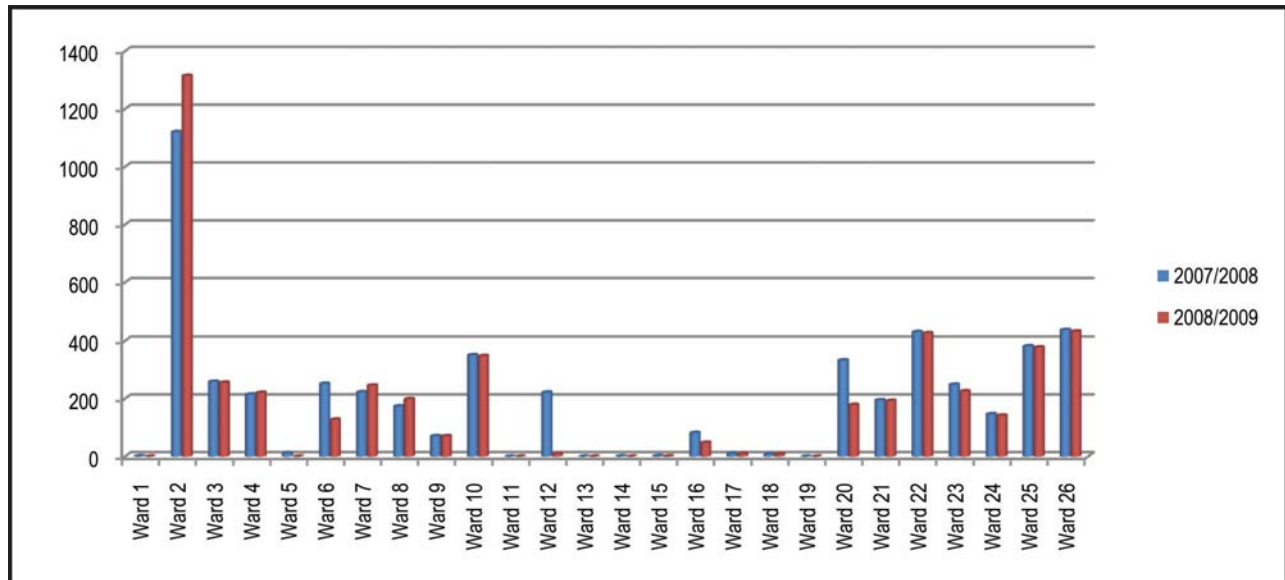
4. HIV infection rate in 2004 – 8,752 and in 2007 – 12,200.
5. Annual AIDS related deaths in 2004 – 560 and in 2007 – 1,200.
6. According to Census 2001, almost 70% of the population had a household income of R3,200 or less.



Source: Merafong Growth & Development Strategy, 2008

7. The Average Weighted Income (AWI) as measured in 2001 was R4,809 (AWI – is the average income of households, taking into account the distribution of households across income categories).
8. A total number of 4,838 indigents have been registered on the database of Council for the 2008/2009 financial year.

#### *Registered Indigents Per Ward*

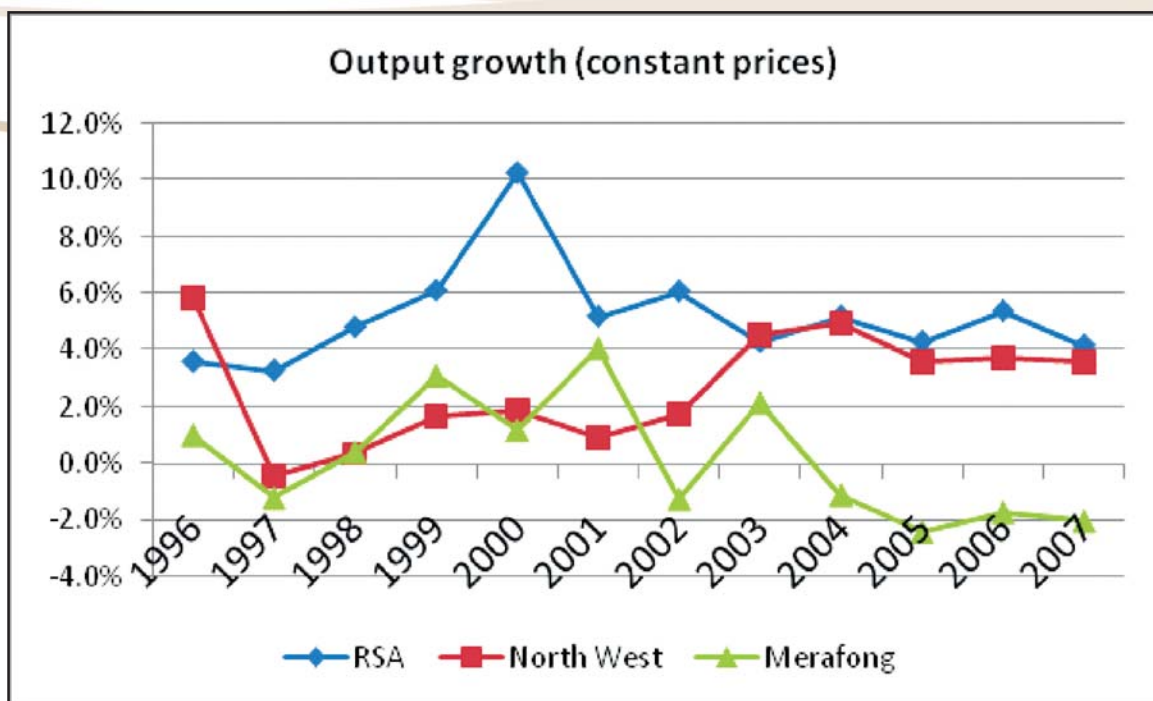


Source: Finance Department, Merafong City 07/09 Financial Years

## **1.2.1 ECONOMIC PERFORMANCE**

### *TRENDS:*

- *Economic growth rate of Merafong in general lower than the growth rate of South Africa and North West Province.*
- *Merafong City experienced negative growth rates in 1996, 1997, 1999 and 2000. 3) Since 2000, the municipality has experienced stronger economic growth with an upward trend in the growth rate, similar to North West Province.*
- *Merafong City experienced negative growth rates in 1996, 1997, 1999 and 2000. Since 2000, the municipality has experienced stronger economic growth with an upward trend in the growth rate, similar to North West Province.*

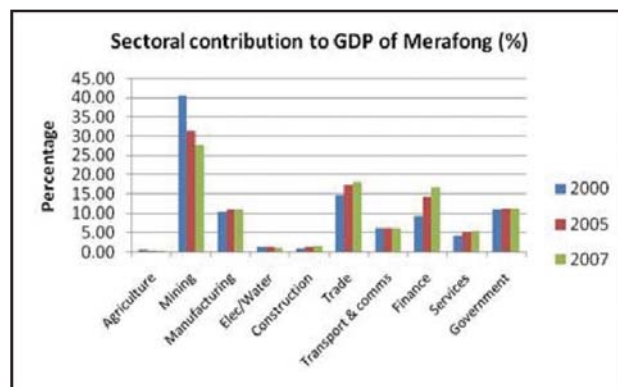
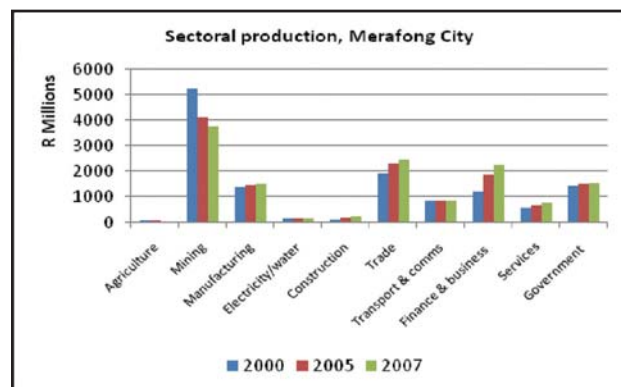


Source: Merafong Growth & Development Strategy, 2008

## 1.2.2 SECTORAL STRUCTURES & PERFORMANCE

### TRENDS:

The economy of Merafong City is dominated by the mining sector, which contributes 31% to GGP in 2005, estimated 28% for 2007. Mining is the most important sector in terms of formal employment. A downward trend in mining employment highlights the need for diversification of the economic base. Trade, finance and Business services experienced a strong increase in production and upward trend in employment. Manufacturing and Government services also make a meaningful contribution in production and employment. The construction sector also shows an increase in production which is set to continue.

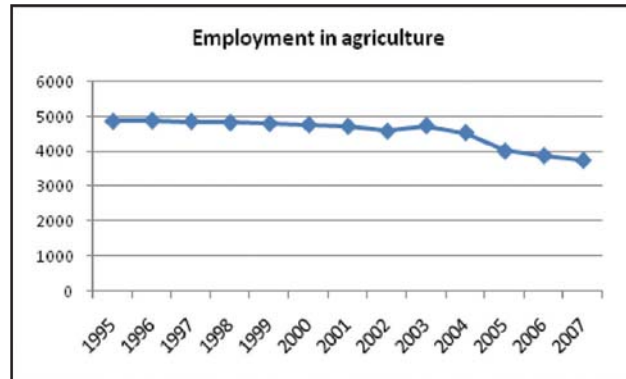
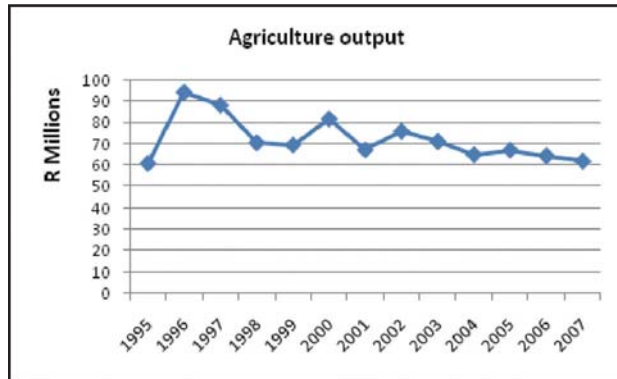


Source: Merafong Growth & Development Strategy, 2008

# AGRICULTURAL SECTOR

## TRENDS:

A decreasing productivity has been experienced in this sector over the past decade. Also a decreasing trend in employment in the agricultural sector. Merafong contains high potential agricultural areas with potential for intensive agricultural production. Potential exists for increased productivity, crop diversification and value adding activities (agro-processing)

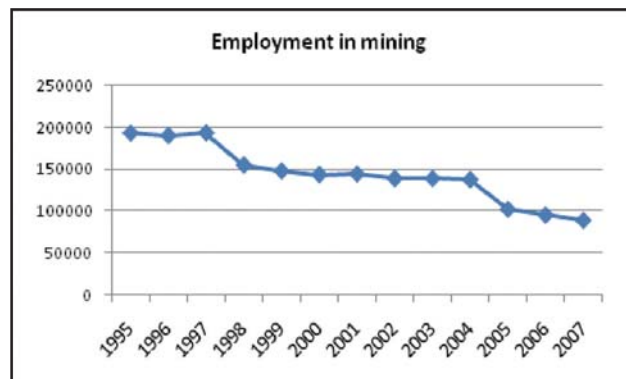
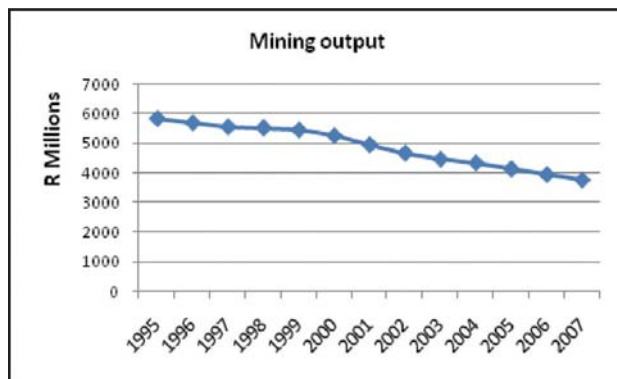


Source: Merafong Growth & Development Strategy, 2008

# MINING SECTOR

## TRENDS:

Merafong economy is still dominated by the mining sector – 28% (2007). Although declining sector current turn-around in profitability led to growth and expansion. Dependency of this sector on international prices and exchange rates points to a need for economic diversification.



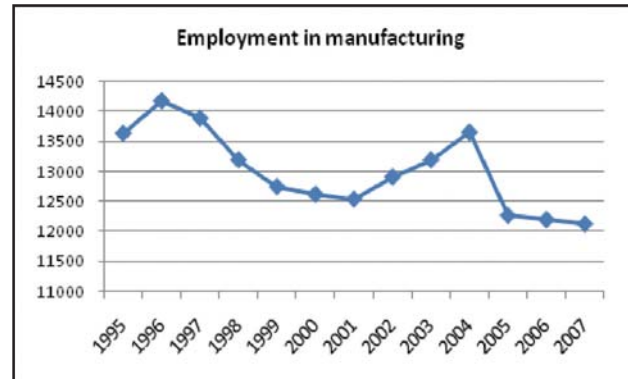
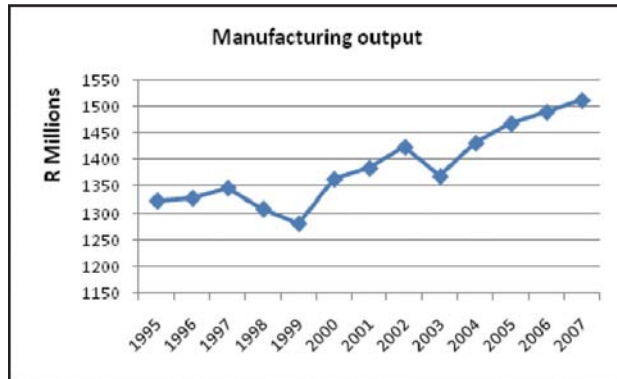
Source: Merafong Growth & Development Strategy, 2008



# MANUFACTURING SECTOR

## TRENDS:

Upward trend in production in manufacturing as well as significant % contribution to GGP (11%) and was not accompanied in similar trend in employment. Employment in manufacturing has declined and accounts for 6% of total formal employment. Above trends imply a need for more labour intensive manufacturing industries.

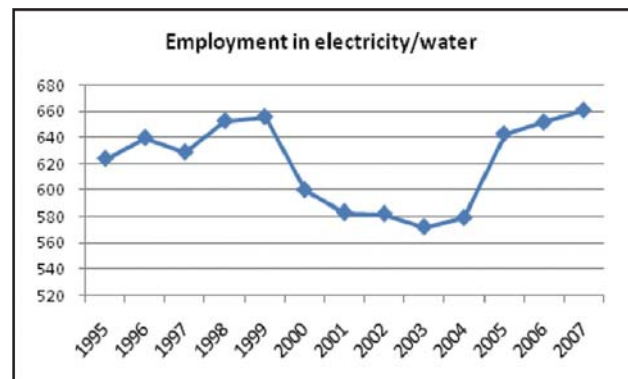
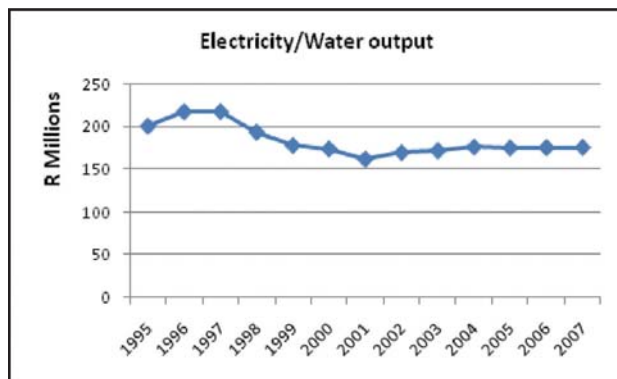


Source: Merafong Growth & Development Strategy, 2008

# UTILITIES (ELECTRICITY & WATER)

## TRENDS:

Fairly constant production trend over past decade. Employment in this sector has increased since 2004. Sectoral contribution to GGP is 1,3% - not a significant contribution to GGP or employment in Merafong. Sector plays an important role in ensuring access to basic services.

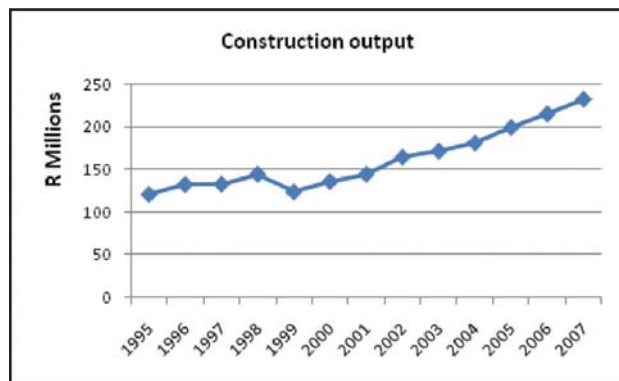


Source: Merafong Growth & Development Strategy, 2008

# CONSTRUCTION SECTOR

## TRENDS:

*This sector has exhibited an increase in production, a trend which is set to continue. Contribution to GGP was 1,5% (2005) AND 1,7% (2007). Accounts for 2% of employment in the formal sector. Employment in this sector has exhibited an upward trend since 2004. Infrastructure and Housing backlog will have significant future impact on this sector.*

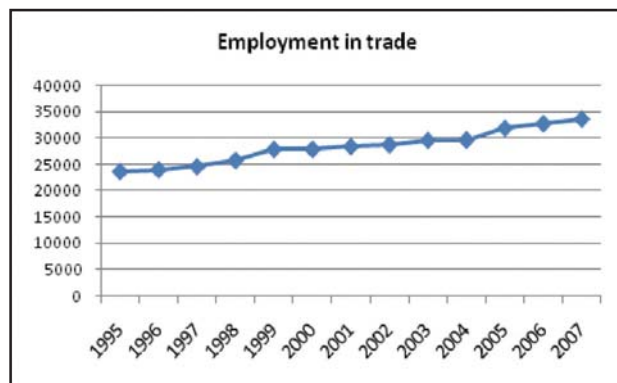
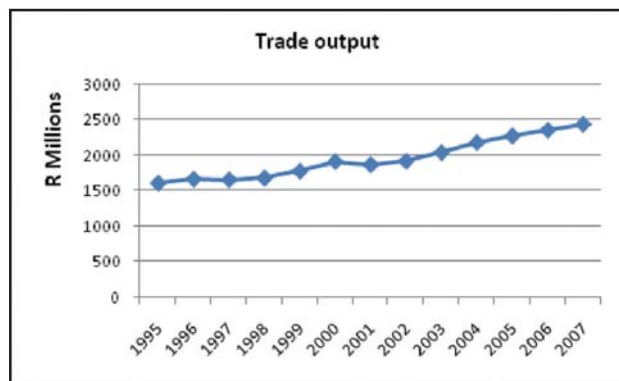


Source: Merafong Growth & Development Strategy, 2008

# TRADE SECTOR

## TRENDS:

*Steady increase in production since 1995. Sector contribution to GGP increased from 15% (2000) – 17% (2005) and is estimated at 18% (2007). Exhibited steady increase in employment. Accounts for 14% - 15% of formal employment. Upwards trend in production and employment could have positive implications for the diversification of the local economy.*

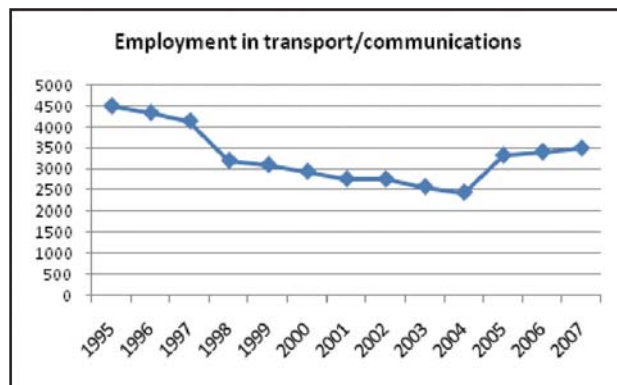
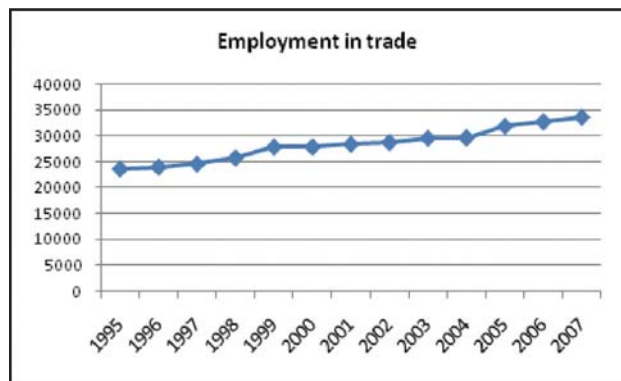


Source: Merafong Growth & Development Strategy, 2008

# TRANSPORT & COMMUNICATIONS

## TRENDS:

No significant increase in production. Contribution to GGP has remained fairly constant at 6.3%. Accounts for about 1% of formal sector employment. Employment in this sector exhibited a declining trend between 1995 and 2004, and an upward trend since 2004.

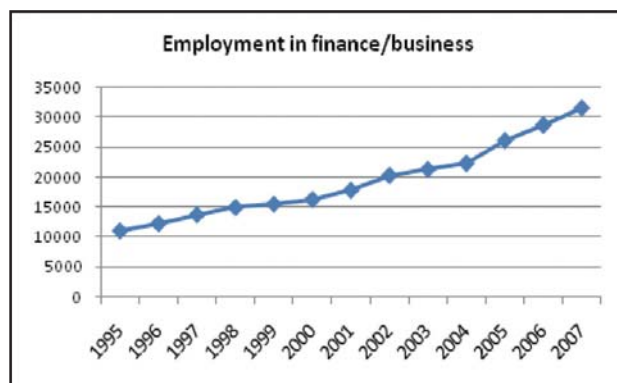
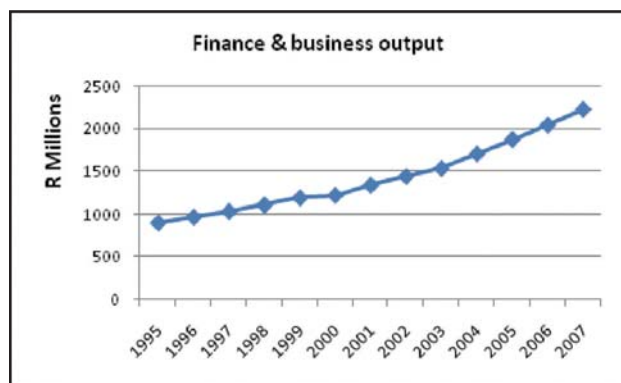


Source: Merafong Growth & Development Strategy, 2008

# FINANCE & BUSINESS SERVICES

## TRENDS:

Experienced strong growth in output. Contribution to GGP increased from 9.4% in 2000 to 16.5% in 2007. Employment exhibited a strong upward trend and accounted for 15% in 2007. Above trends have positive implications for the diversification of the local economy. Sector shows significant growth potential.

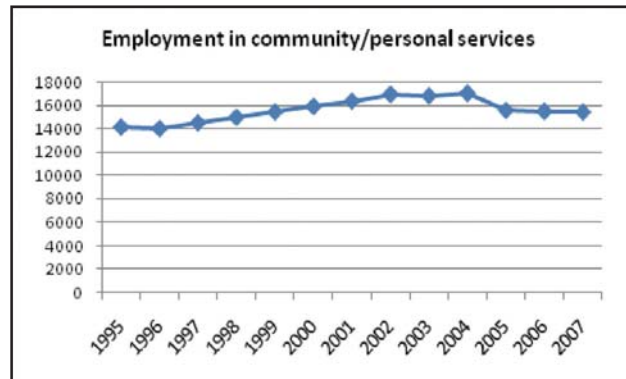
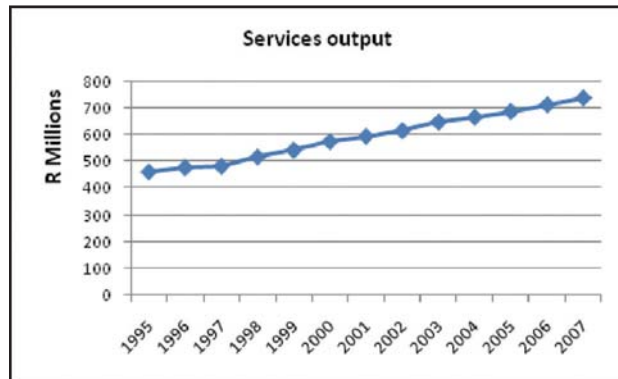


Source: Merafong Growth & Development Strategy, 2008

# PERSONAL & COMMUNITY SERVICES

## TRENDS:

Upward trend in the output of sector. Sector contribution 5.5% - 2007. No significant increase in employment experienced. Services account for 7% of formal sector employment.

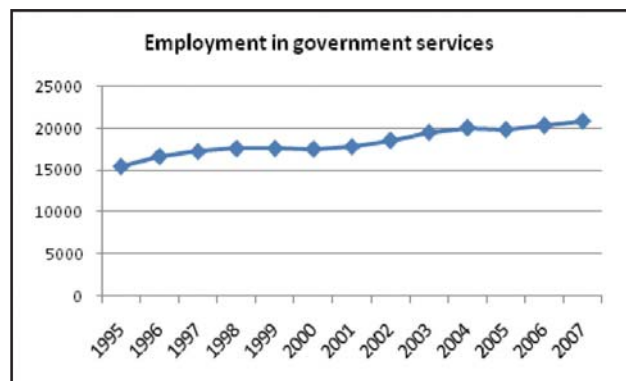
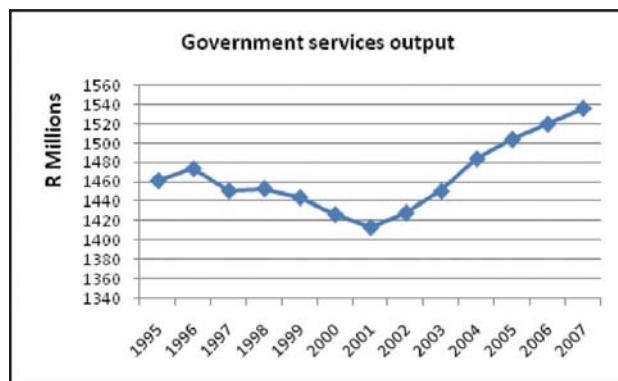


Source: Merafong Growth & Development Strategy, 2008

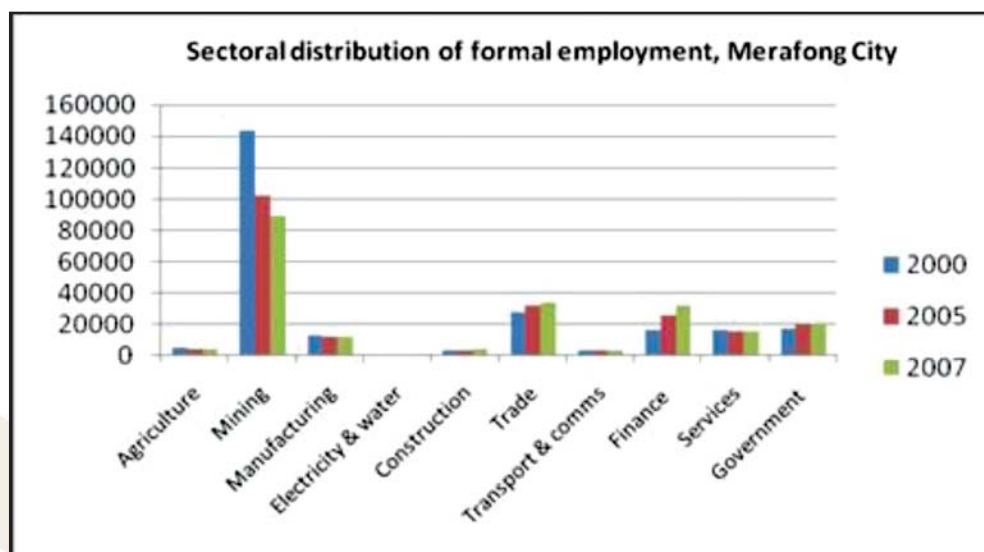
# GOVERNMENT SERVICES

## TRENDS:

Upward trend in input since 2001. Sector contribution to GGP – 11.4%. Important sector in formal employment – 10%. Number of people employed in sector in Merafong increased by 5,000 between 1995 and 2005.



Source: Merafong Growth & Development Strategy, 2008



Source: Merafong Growth & Development Strategy, 2008



# 1.3 OVERVIEW BY THE ACCOUNTING OFFICER

## INTRODUCTION BY MUNICIPAL MANAGER



E. M. Leseane  
ACTING MUNICIPAL  
MANAGER

*Merafong City is still successfully managed and achieved a major financial turnaround. Comparing to an Operational deficit of R 11.9 Million in 2007/2008 financial year, Merafong City had realized an Operational Surplus after appropriations of R12. 7 Million for the 2008/2009 financial year. This was achieved through strong cost cutting exercises and strict credit control and debt collection processes.*

*Councils bank balance had improved from R20.6 Million in 2007/2008 to R115.9 Million in 2008/2009. Councils Funds and Reserves had improved from R129.7 Million to R250.8 Million for the financial year.*

*Council had reached an all time high by spending in excess of R136.7 Million for the financial year on Capital Expenditure comparing to R88.7 Million in 2007/2008. Council's liquidity ratio had improved from .91:1 to 1.01:1. Salaries and Allowances as a percentage of the total expenditure have improved from 31.31% to 30.16%. This is well below the norm of 35%.*

*The Property Rates Act was successfully implemented on the 1 July 2008 and the public participation process as required in the Act was adhered to. The highlight of the implementation was when Council received affirmation from sectors such as the Agricultural Forum to implement and charge property tax as required by the Act. Rebates & exemptions were given to qualifying ratepayers.*

*Council could achieve a payment Level of 87.66%. The unstable situation in Khutsong since Merafong was transferred to North-West had deteriorated. This had spilled over to other areas. The demarcation issue had resulted in that the pay points in Khutsong were burnt down and payment levels had dropped to an all time low. Subsequent to this the pay point in Kokosi was also burnt down.*

## GOVERNANCE

The Merafong City Local Municipality is committed to the concept and principles of good corporate governance. As a municipality, we are guided by the principles of the Code of Corporate Practices and Conduct as contained in the Report on Corporate Governance for South Africa 2002 and augmented by the statutory duties, Municipal Systems Act 32 of 2000 and the Municipal Finance Management Act, 56 of 2003 (MFMA). In all our dealings, Council strives to ensure that the interests of our communities and stakeholders.

### 1.3.1 Delegation of Authority

The power and authority to lead, control, manage and conduct our business is in accordance with the Constitution of 1996, Municipal Systems Act, Municipal Financial Management Act, Municipal Structure Act, White Paper on local government 1998, and LG demarcation Act of 1998, LG Municipal Property Rates Act of 2004 and intergovernmental Relations Framework Act of 2005.

### 1.3.2 Governance Committee

Several governance committees have been duly constituted to assist the Municipal Manager in discharging his duties. Each committee operates within the ambit of its delegated terms of reference that set out the composition, role, responsibilities, delegated authority and requirements for convening meetings.

### 1.3.3 Executive Committee (EXCO)

The Executive Committee is chaired by the Municipal Manager. Its membership consists of the Executive Directors and selected invitees and meets as and when required.

### 1.3.4 Audit & Risk Management Committee

The Audit and Risk Management Committee is chaired by an independent and non-executive professional and comprise of external members.

The Audit Committee meets quarterly with senior management, which includes the Municipal Manager, Chief Financial Officer and the Chief Internal Auditor. The external auditors and internal auditors attend these meetings and have unrestricted access to the Audit Committee and to its Chairperson.

The Audit Committee serves in an advisory capacity to the Council and assists to discharge its duties relating to the safeguarding of assets, the operation of adequate systems, risk management and controls, the review of financial information and the preparation of the annual financial statements. This includes satisfying the Council that adequate internal, operating and financial controls are in place.

Merafong City Local Municipality has an in-house internal audit function and co sourced service providers are used as and when deemed necessary. It has a specific mandate from the Audit Committee and independently appraises the internal controls and accounting records, reporting its findings to management as well as the Audit Committee. As part of the system of internal control, the internal audit function conducts operational, financial and specific audits and coordinates audit coverage with the external auditors.

### 1.3.5 S79 Committees

The Annual report oversight committee was established in terms of section 33 and section 79 of the Municipal Structures Act 1998 for the financial year 2008/9. This committee provides oversight reports on the annual activities of council in accordance with section 129 of the Municipal Finance Management Act of 2003. The oversight committee performed its responsibilities in accordance with the National Treasury Circular NO 32 in conjunction with:

MFMA Circular 11 – Annual reporting Guidelines; January 2005

MFMA Circular 18 - New accounting standards; 23 June 2005

MFMA Circular 28- Budget Content and Format; 12 December 2005

The Oversight committee was constituted by NON EXECUTIVE COUNCILORS as per the prescription of the regulations, the meeting to tabling of the oversight reports was open to the public and sufficient time was allowed for discussion and debates. The oversight committee recommended the approval of the annual report to Council.

### 1.3.6 S80 Committees

The Municipal Council established 8 Portfolio Committees in terms of Section 80 of the Municipal Structures Act. The Executive Mayor appointed the Chairperson of the Committees. Portfolio Heads are the Chairpersons of the various Section 80 Committees. These committees are essentially advisory committees for the Mayoral Committees and the Executive Mayor. Section 80 Committees have no delegations committee.

Administration prepares items which are then, with the consent and approval of the Municipal Manager referred to the various Section 80 Committees.

The portfolio head consent to the Agenda of the Section 80 committee and the items that serve on these committees. The minutes of the Section 80 meetings are referred to the Executive Mayor, who approves as recommended; change recommendations and approve as amended ; report quarterly to full council on all the resolutions taken by him; refer the item back to the Section 80, refer the item to the Mayoral committee and or refer the item to the full council. The portfolio committee meets on a monthly basis in accordance with the year planner as determined by the office of the Speaker.

### *1.3.7 Internal Audit*

In line with the requirements of the MFMA and good governance, internal audit provides the Audit Committee and Management with assurance on the appropriateness and effectiveness of internal controls in place. This is achieved by an independent, objective appraisal and evaluation of risk management processes, internal controls and governance processes, as well as by identifying corrective actions and suggested enhancements to controls and processes. The risk-based audit plan covers major risks emanating from our integrated risk management process. The audit plan responds to these risks. The Internal Audit is fully supported by the Council, and Audit Committee, and has full, unrestricted access to all organizational activities, records, property and personnel.

Every assignment is accompanied by a detailed report to Management, which includes recommendations for improvement. Significant business risks and weaknesses in the operating and financial control systems are highlighted and brought to the attention of the audit committee, senior management and the external auditors.

The audit work plan is presented in advance to the Audit Committee.

### *1.3.8 Risk Management*

Effective risk management is critical to our operations. Nevertheless, responsible risk-taking is an integral part of the business which helps us to achieve our strategic objectives. Our success lies in identifying, understanding and managing the risks associated with our business strategy and the execution of our activities. Management's objective is to deliver on service while adhering to approved risk parameters and limits. Management does this by identifying risks that may inhibit the Municipality from achieving its objectives, analyzing those risks, avoiding certain risks and implementing plans for mitigating risks that remain. We acknowledge that enterprise wide risk management is a driver of business performance rather than an obligation created with a view to achieving good governance.

#### **Risk ownership**

The ownership of the risk management function resides with Management.

#### **Fraud risk management**

We have a fraud prevention plan, aimed at prevention, detection, response and investigation and a fraud roll out plan. Where serious fraud, corruption and irregularities are suspected and reported, investigations are undertaken to establish the facts to enable management to deal appropriately with the issues, and to prevent recurrence.

### *1.3.9 Financial Viability*

#### **Operating Surplus**

Operations within council in the current Financial year realized an Operational Surplus after appropriations of R12 473 533 comparing to an Operational deficit of R11 967 330 in 2007/2008.

#### **Bank, Cash And Overdraft Balances**

Councils bank balance had improved from R20 660 389 in 2007/2008 to R115 865 252 positive balance in 2008/2009.

## **Payment Levels**

Council's payment levels have increased from an 85.68% in 2007/2008 to 87.66% in 2008/2009.

The unstable situation in Khutsong since Merafong was transferred to North-West had deteriorated. This had spilled over to other areas. The demarcation issue had resulted in that the pay points in Khutsong were burnt down and payment levels had dropped to an all time low in this area. Subsequent to this the pay point in Kokosi was also burnt down.

Council had appointed debt collecting Service providers to collect all outstanding Debt.

Integration of BIQ and Conlog was established to enable debt collection through the sale of pre-paid electricity as approved in Council Credit Control Policy.

Council appointed third party vendors to ensure 24 hour vending of pre paid electricity.

## **Financial Ratios**

Council's liquidity ratio had improved from .91:1 to 1.01:1. This is below the required 2:1 .The reason for the below the norm of 2:1 is as a result of the implementation of further GRAP and International Accounting Standards. It can be viewed that councils Financial Statements becomes more of a fair presentation.

Salaries and Allowances as a percentage of the total expenditure have improved from 31.31% to 30.16%. This is well below the norm of 35%.

## **Capital Expenditure**

Council had reached an all time high by spending in excess of R13.67 Million for the financial year. This is still below budget but this is a result of Council converted housing projects to GRAP 17 during the year. Top structures were budgeted for as Assets. They are indeed operational expenses.

Unfortunately the budget could not be transferred

## **Funds and Reserves**

Councils Funds and Reserves had improved from R129.7 Million to R250.8 Million for the financial year.

### ***1.3.10 Exceptional Achievements***

We wish to convey our appreciation of the Leadership of our Executive Mayor, Councillor D. P. Molo-kwane, his Mayoral Collective Leadership Committee (MMC), Portfolio Committees and all Councillors for their outstanding leadership during this financial year.

My sincere appreciation for the administration for their commitment and dedication to implement the political mandate for the year under review.

Similarly we wish to convey our sincere gratitude to the following external stakeholders:

- The Office of the Accountant General
- The Auditor General
- The Community of Merafong City
- The Merafong Business Community
- Merafong Ward Committees
- The South African Police Services
- The North West Provincial Government
- The North West Provincial Treasury
- The Dr. Kenneth Kaunda District Municipality
- North West Provincial Treasury; and
- The Development Bank of Southern Africa

E. M. Leseane  
ACTING MUNICIPAL MANAGER  
October 2009



# Chapter 2

## PERFORMANCE HIGHLIGHTS



Merafong City  
Annual Report 2008/2009

# PREAMBLE

The Performance Management System framework adopted by Council was fully implemented in accordance with the provisions of the Municipal Systems Act, 2000, the Performance Management Regulations, 2001 and the Municipal Finance Management Act, 2003.

Measurement of the performance in accordance with the needs identified in the IDP and prioritized in the budget for the year of review is aligned to organizational objectives, key performance areas and key performance indicators. This chapter reflects the annual performance of the organization and departments.

An electronic performance management system (e-PMS) was procured and implemented during the year. The implementation of the system entailed the alignment of the organizational and departmental scorecards and the re-designing of scorecards compliant to performance measuring in the automated system. The transition from a paper base system to the automated system posed many challenges. Key performance indicators had to be defined according to the SMART principle and aligned with reliable data sources. Many of the original KPIs were annual indicators pertaining to policies, initiatives or action plans which are measured differently in the e-PMS.

This resulted in the reduction of actual indicators in the scorecards and the operating of a parallel paper based system for the year of review. The electronic scorecards for the 08/09 financial year will form the baseline for the 09/10 scorecards in which indicators will remain unchanged, aligned to the organizational objectives in accordance with the IDP. Targets are reviewed annually with the IDP and performance review process.

Over the past two financial years the Merafong Performance Management System was developed into a system of performance management *vis a vis* performance reporting. The optimization of the system will require change management to transform the organization to a fully compliant, effective and efficient performance driven developmental institution with the required skills and conducive organization culture.

## 2.1 ORGANISATIONAL PERFORMANCE MANAGEMENT

The performance plan defines Council's expectation of the Municipal Manager and departments performance objectives and targets based on the key performance indicators as set in the Integrated Development Plan.



The following table indicates the Organisational Performance for the period of review.

## 2.1 ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

Key Performance Area	Performance Indicator	Baseline Information	Target			Progress on date of review
			Time frame	Quality	Quantity	
Good Governance and Public Participation	Procedures for community participation processes as set out in legislation adhered to in terms of:					
	▪ Planning IDP	Process plan adopted	08/09	Process plan implemented	Quarterly reports	100%
	▪ Budgeting	Budget time table approved	08/09	Process plan implemented	Quarterly reports	100%
	▪ Implementation	Quarterly Mayoral Imbizo report back	08/09	Process plan implemented	Quarterly reports	100% - 4 Imbizos held
	▪ Monitoring	Quarterly Mayoral Imbizo report back	08/09	Process plan implemented	Quarterly reports	100% - 4 Imbizos held
	An anti-corruption strategy in terms of national strategy for the municipality is developed and implemented to address:					
	▪ Investigation	Anti-corruption policy/strategy adopted by Council	08/09	Full implementation	Quarterly reports	100%
	▪ Reporting – Follow-up and actions	Anti-corruption policy/strategy adopted by Council	08/09	Full implementation	Quarterly reports	100%
	▪ Audit and risk management committee established	Financial audit committee established and functional	08/09	Full implementation	Quarterly reports	100%
	▪ Performance audit committee established and functional	Performance audit committee established and functional	08/09	Full implementation	Quarterly reports	100%
▪ Mechanisms to ensure disclosure of financial interest in place	Mechanism to ensure disclosure in place	08/09	Implement mechanisms	100%	100%	



Key Performance Area	Performance Indicator	Baseline Information	Target			Progress on date of review
			Timeframe	Quality	Quantity	
Local Economic Development (LED)	An effective communication strategy to promote transparency, public accountability, access to information, administrative justice and responsiveness to complaints are dealt with in terms of the relevant legislation, developed and implemented	No integrated communication strategy in place	08/09	Develop and implement communication strategy	100%	Strategy developed – 100% Implementation in process
	Unqualified audit report achieved and maintained	Qualified report	08/09	Qualified audit report – asset register		100% achieved – only infrastructure asset qualification
	An analysis of the local economy undertaken	Draft strategy completed	08/09	To be approved	Implementation	100% - New strategy development – 100%
	Institutional capacity to implement LED programs established and a conducive environment for shared growth created	75%	08/09	100%	100%	100%
	Sustainable community Investment programs introduced and implemented	Projects identified	08/09	Full implementation	100%	100% - Community projects implemented
Infrastructure Development and Service Delivery	Knowledge sharing networks and social partnerships facilitated	Establish forums	08/09	Forums functioning as per departmental plans	70%	100%
	Integrated service delivery plans	Develop integrated service delivery plans (for all services)	80/09	90%	90%	100%
	Integrated program / project management execution plan	Develop integrated program/project management plan	80/09	60%	60%	Target 100% achieved
	Infrastructure development model developed	Infrastructure development targets met (%)	08/09	80%	Quarterly reviews	80% achieved. Quarterly reports submitted
	Reticulation loss plan developed	Reticulation target met (n)	08/09	1 Plan	Quarterly reviews	Plan developed

Key Performance Area	Performance Indicator	Baseline Information	Target			Progress on date of review
			Timeframe	Quality	Quantity	
Infrastructure Development and Service Delivery	The provision of basic municipal services to the satisfaction of residents (That is, clear delivery programs and projects to progressively achieve national service delivery targets in terms of):					
	▪ Water	100% provision in proclaimed areas	08/09	Project implementation in accordance with IDP project list	40%	100%
	▪ Sanitation	Access to basic sanitation – 97% (proclaimed areas)	08/09	Project implementation in accordance with IDP project list	40%	100%
	▪ Refuse removal	Access to basic level of refuse removal services – 95,3% of households (proclaimed areas)	80/09	Project implementation in accordance with IDP project list	40%	100%
	▪ Water	30% provision in un-proclaimed areas	08/09	Project implementation in accordance with IDP project list	45%	90%
	▪ Sanitation	Access to basic sanitation – 35% in un-proclaimed areas	08/09	Project implementation in accordance with IDP project list	40%	60%
	▪ Refuse removal	Access to weekly refuse removal service – 83,3% of households in un-proclaimed areas	08/09	Project implementation in accordance with IDP project list	40%	86%
	▪ Sustainable human settlement development plan	Sustainable target met (n)	08/09	Full implementation with IDP project list	Quarterly review	100% project implementation



Key Performance Area	Performance Indicator	Baseline Information	Target			Progress on date of review
			Timeframe	Quality	Quantity	
Infrastructure Development and Service Delivery	Spatial Development Framework in IDP includes spatial reconstruction policies, environmental, social and demographic trends, land-use policies and representation of sustainable human settlement vision	Review Spatial Development Framework included in IDP	08/09	Review 08/09	Annual reviews	100%
	Electronic management systems developed	Approved system – not automated	08/09	100% aligned	System implemented	System procured
	An organizational structure aligned to the IDP established and operationalised	Fully aligned structure implemented	08/09	100% alignment	100%	Structure alignment – 100% Implementation in progress
	Effective administrative and institutional systems, structures and procedures including: human resources, financial policies, by-laws and communication systems established and implemented	90%	08/09	90%	90%	70%
Municipal Transformation and Organisational Development	Well structured co-ordinated reports implemented versus required	Structures and systems established	08/09	100%	Quarterly reviews	80%
	<b>Financial management practices implemented in terms of the MFMA priorities and timeframes including but not limited to:</b>					
	▪ Budget aligned to development and service delivery targets that municipalities are accountable for as set out in the adopted IDP	Budget aligned with IDP and SDBIP	08/09	100% alignment	Quarterly reviews	100% done. Adjustment budget approved.
	▪ Budget and treasury office established	Established	08/09	100% functioning		100%
Municipal Financial Viability and Management	▪ Budget and management reports developed	Monthly expenditure reports	08/09	5% variance capital 10% variance operational	Monthly reports	100% submitted. Variance capital: -32% Variance operational: +3,3% (+R22m)

Key Performance Area	Performance Indicator	Baseline Information	Target			Progress on date of review
			Timeframe	Quality	Quantity	
Municipal Financial Viability and Management	<ul style="list-style-type: none"> <li>Financial reporting and auditing is performed</li> </ul>	Monthly financial reports Annual auditing report	08/09	100% reporting	Monthly Annually	100%
	Financial management policies and by-laws developed, including but not limited to: supply chain management, credit control, tariff and investment policies	Policies as required by legislation in place	08/09	100% policy implementation	Annual review	100%
	Integrated financial management systems introduced and operationalised	Integrated financial system operational except procurement system	08/09	100% operational of financial management system		100%
	<b>Municipal financial viability targets set and achieved which will ensure that:</b>					
	<ul style="list-style-type: none"> <li>Growth in service debtors is reduced</li> </ul>	Service debtors growth – 15%	08/09	12,5%	Monthly	-16%
	<ul style="list-style-type: none"> <li>Consumer debt exceeding 90 days is recovered</li> </ul>	85% consumer debt exceeding 90 days	08/09	85%	Monthly	75%
	<ul style="list-style-type: none"> <li>% grant dependency rate</li> </ul>	50% of income represents grants	08/09	50%	50%	35%
	<ul style="list-style-type: none"> <li>Turn around time for creditor payment improved</li> </ul>	30 Days	08/09	30 Days	Monthly	30 days
	<ul style="list-style-type: none"> <li>% Personnel cost over the total operation budget is in line with regulatory framework</li> </ul>	40%	08/09	40%	40%	30,12%
	<ul style="list-style-type: none"> <li>Provision for bad debt made</li> </ul>	100% of uncollectable debt	08/09	100% of debt	100%	100%

Key Performance Area	Performance Indicator	Baseline Information	Target			Progress on date of review
			Timeframe	Quality	Quantity	
<b>Municipal Financial Viability and Management</b>	<ul style="list-style-type: none"> <li>Financial legislation implemented, and complied with, including the Property Rates Act and the Division of Revenue Act</li> </ul>	DORA implemented – 100% Property Rates Act – 80% MFMA – 90% GRAP – 70% Infrastructure asset register – 10% Property register – 20% Immoveable assets and inventory – 70%	08/09	Valuation roll complete – 100%	100% 100% 95% 80% 50% 50%	100% 100% 95% 80% 50% 50%
<b>Internal business excellence</b>	Human Resource development plan developed (n) Plan implemented Monitoring reports required	New indicator	08/09		1 Plan	Plan approved
	Program management plan developed (n) Plan implemented Monitoring reports required	New indicator	08/09		Quarterly reports (4)	Quarterly reports submitted
	Stakeholder relations management plan developed (n) Plan implemented Monitoring reports required	New indicator	08/09		1 Plan Quarterly reports (4)	Plan approved
	Marketing communication plan developed (n) Plan implemented Monitoring reports required	New indicator	08/09		1 Plan Quarterly reports (4)	Plan approved
	Supply chain management plan developed (n) Plan implemented Monitoring reports required	New indicator	08/09		1 Plan Quarterly reports (4)	Plan approved

## 2.1.1 INFRASTRUCTURE DEVELOPMENT

The core function of the department is to provide and maintain municipal essential services and to develop new municipal engineering infrastructure comprising of the following engineering disciplines:

- Electrical Services
- Civil Engineering Services
- Water and Sanitation Services / Water Care Works
- Project Management Unit

Table 2.1.1.1 Access to services

Service	2001	2006	2008	% Change 2001 - 2008	% of population with access
Electricity	36,649	39,629	39,917	8,19% (↑)	45%
Flush toilets	40,541	40,795	69,291	41,49% (↑)	78,6%
Weekly refuse removal	45,620	46,444	88,156	48,25% (↑)	47,69%
Piped water to dwelling	23,060	25,090	25,650	8,8% (↑)	36%
Emergency water and sanitation services (Unproclaimed areas)		17,319	18,867	8,2%(↑)	100% of Informal Areas

Source: Statistics South Africa, 2001

## SECTION: ELECTRICAL ENGINEERING

### Distribution Statistics

The load growth showed a decrease from an average of 43.51MVA in 2007/08 to 42.41MVA in 2008/09. Merafong City utilized 225.06GWh in 2007/08 compared to 224.31GWh in the year 2008/09.

As can be deduced from the above, the electricity consumption decreased slightly which can be attributed to consumers utilizing energy wisely due to the massive tariff increases experienced in the 2008/09 financial year. Of the total consumption, 116.39GWh were utilized by the domestic consumers where 72.48GWh was utilized by the Business sector and Council utilized 14.09 GWh.

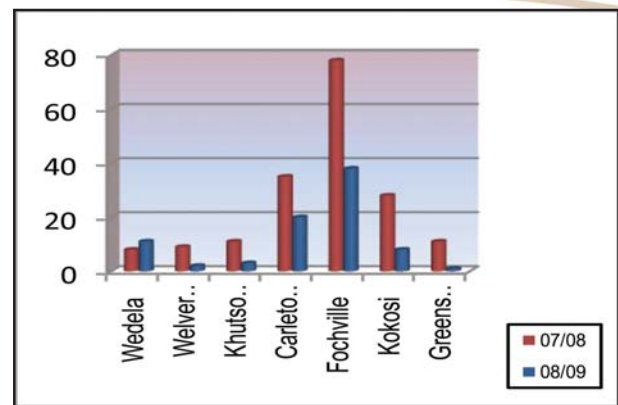
The purchase price of electricity from the National Distributor, Eskom, increased by 25.71% from R43.96 million in 2007/08 to R59.17 million in 2008/09. This increase was in line with the NERSA approved Eskom price increase of 34.2% for the financial year 2008/09. Council had projected and budgeted R60.34 million for the year where R59.17 was spent. Council purchased 224.31GWh from Eskom and sold/utilized 202.96GWh. This translated into an expenditure of R59.17 million with an income of R106.77 million on billed energy sales.

The electricity losses for the year 2008/09 as a factor of sales and purchases amounted to 9.52% .which is within the National Energy Regulator OF South Africa (NERSA) prescribed limit of 6 – 10%.



Table 2.1.1.2 New Electrical Connections completed per supply area

Area	Connection 07/08	New Connections 08/09
Wedela	8	11
Welverdiend	9	2
Khutsong South	11	3
Carletonville	35	20
Fochville	78	38
Kokosi	28	8
Greenspark	11	1
<b>TOTAL</b>	<b>179</b>	<b>85</b>



Source: Electrical Engineering Section, Merafong City

## SECTION: CIVIL ENGINEERING SERVICES

This section comprises of the following sub-sections:

- Roads & Storm Water
- Public Works
- Building Control

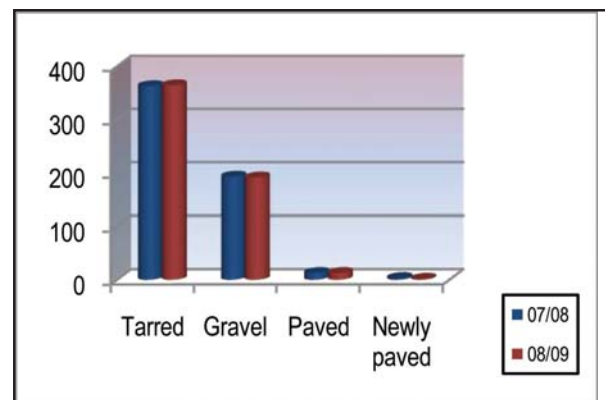
### Roads & Storm Water

Merafong City Road Network consists of 569, 97km of road network. The road surfaces varies as follows: Tarred Roads (364,44km) gravel roads (191,02km) blocked paved roads (12.7km) and newly paved roads (3,4km).

Table 2.1.1.3 Road Network

Type of road	KM 07/08	KM 08/09
Tarred	362.64	364.44
Gravel	192.62	191.02
Paved	12.70	12.70
Newly paved (tar & paving)	3.1	3.4

Source: Civil Engineering Section, Merafong City



### Public Works

Maintenance was done on all municipal buildings and facilities during the 08/09 financial year in accordance with the maintenance program and within the budget limitations.

Further to the maintenance program a total of 206 ad hoc maintenance projects were executed within the budget.

### Building Control

The value of building plans approved during the year increased from R119,063,700 in 2007/2008 to R128,803,900 in 2008/2009 (excluding subsidy housing projects). The value of building plans approved (housing subsidy projects included) increased from R114,583,700 in 2007/2008 to R130,423,900 in 2008/2009.



Table 2.1.1.4 Value of building plans approved and buildings completed in the formal sector (subsidy housing projects not included)

Year	Building plans approved (R)	Buildings completed (R)
2005	87,420,500	29,519,700
2006	124,176,900	44,544,350
2007	119,063,700	57,071,500
2008	128,803,900	69,418,500
<b>TOTAL</b>	<b>459,465,000</b>	<b>200,554,050</b>

Source: Building Control Section, Merafong City

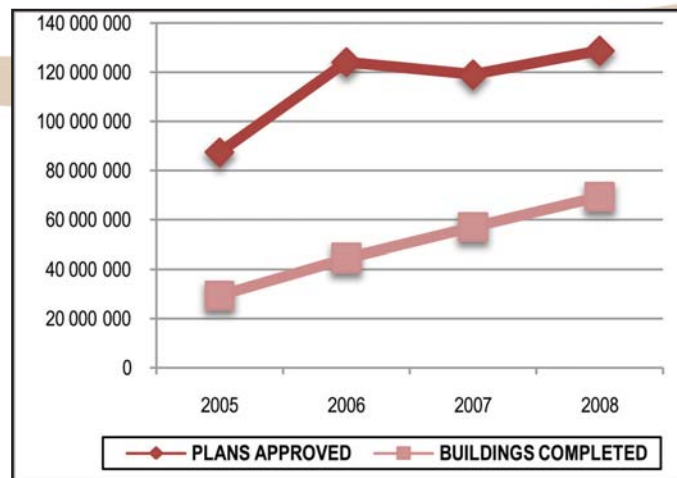
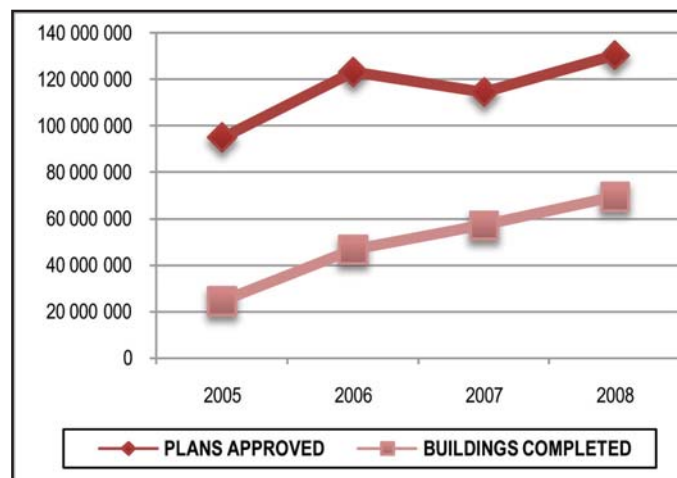


Table 2.1.1.5 Value of building plans approved and buildings completed (subsidy housing projects included)

Year	Building plans approved (R)	Buildings completed (R)
2005	94,934,900	24,403,800
2006	123,150,200	46,539,200
2007	114,583,700	57,071,500
2008	130,423,900	69,418,500
<b>TOTAL</b>	<b>463,092,700</b>	<b>197,433,000</b>

Source: Building Control Section, Merafong City



## SECTION: WATER AND SANITATION SERVICES / WATER CARE WORKS

The Water Service section has been mandated by the Constitution of South Africa (1996), the Water Services Act (1997) and the Water Services Amendment Act (30 of 2004) to supply potable water and functioning sanitation systems to the communities within its area of jurisdiction.

The financial year 2008/2009 was met with the continuation of transformation challenges towards the bettering of service delivery to the community of Merafong City as mandated by the Constitution. A total of 8.6 ML potable water purchased and 7,655ML potable water distributed to 69,291 consumer households.

Further to the maintenance program a total of 206 ad hoc maintenance projects were executed within the budget.

Table 2.1.1.6 Services delivery

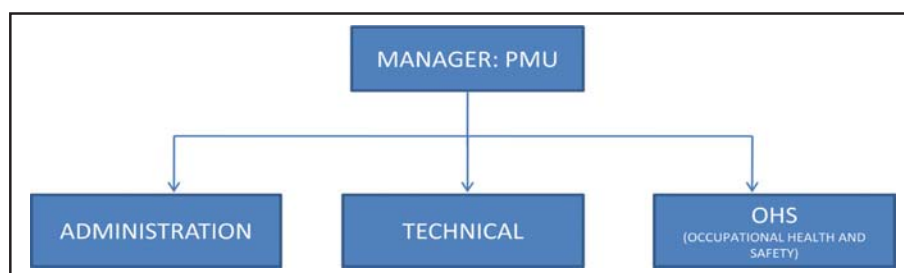
	2007/2008	2008/2009
▪ Water purchased	9,63MI	8,61MI
▪ Water distributed	7,8MI	7,655MI
▪ Provision of basic water to informal areas through communal standpipes	14,982 households	18,867 households
▪ Provision of emergency water to farms through water tankers	3,97MI	9,08MI

## SECTION: PROJECT MANAGEMENT UNIT

The Merafong Council and DPLG have approved the business plan for a project management unit on 15 June 2004 based on MIG programmes, guidelines and strategies to integrate engineering disciplines with social upliftment within a capacitated PMU structure and Merafong backlog reality according to the National MIG Policy Framework.

The PMU section was understaffed in the 08/09 financial year due to the resignation of 2 senior employees in the section which created a gap. The performance on the execution of projects however was not drastically effected as effective internal arrangements were made to address the internal capacity gaps. Performance goals as outlined in the Performance Management System has successfully been met.

PMU Structure as follows:



### PMU Performance Highlights

- 80% Project expenditure since the establishment of Merafong PMU including the 07/08 financial year as reflected in the Dora report. An amount of R 42,424,000 was allocated of which an amount of R 33, 947, 382 was actually spent.
- Bucket systems were eradicated through the completion of housing projects, but remains a challenge due to the continuous influx of informal dwellers
- 85 % completion of the Kokosi Waste Water treatment plant
- 98% completion of the Khutsong Waste Water treatment plant
- Accident free financial year by applying the Safety Construction Regulations in terms of the Occupational Health and Safety Act regulations on all projects
- Jobs created for the year under review:

Planned	583
Actual	552

- Due to the municipality reaching the performance percentage set by MIG in the 08/09 financial year an amount of R 43, 575 Million has been allocated to the municipality for the 09/10 financial year

### Challenges

- Capacity building of local upcoming and inexperienced contractors
- Full implementation of the EPWP to eradicate poverty and job creation
- Provision of basic services in rural and informal areas by implementing the directives from national
- Continuous influx of informal dwellers
- To address environmental, dolomite and pollution issues
- Retention and acquisition of Engineering skills

Table 2.1.1.7 Dora Certificate of Revenue and Expenditure: 30 June 2009

DATE	BUDGETARY ESTIMATE	ADVANCES REQUESTED	AMOUNT RECEIVED	ACTUAL EXPENDITURE	BALANCE
	Total	Total	Total	Total	Total
April-08	-		-	-	-
May-08	-		-	-	-
June-08	-	-	-	-	R1,203,367
July-08	R3,503,000	R3,300,000	R3,300,000	R1,870,102	R2,633,265
August-08	R3,503,000	R3,800,000	R3,800,000	R3,760,237	R2,673,028
September-08	R3,503,000	R3,800,000	R3,800,000	R4,060,204	R2,412,824
October-08	R3,503,000	R4,200,000	R4,200,000	R2,561,191	R4,051,633
November-08	R3,503,000	R4,200,000	R4,200,000	R2,657,199	R5,594,434
December-08	R3,503,000	R2,500,000	-	-	-
January-09	R3,503,000	R2,500,000	R5,000,000	R3,287,428	R7,307,006
February-09	R3,503,000	R2,500,000	R2,500,000	R6,613,951	R3,193,055
March-09	R3,507,396	R2,234,396	R4,731,000	R6,346,490	R1,577,565
April-09	R3,631,250	R3,631,250	R3,631,000	R743,624	R4,464,941
May-09	R3,631,250	R3,631,250	R3,631,000	R1,426,362	R6,669,579
June-09	R3,631,250	R3,631,250	R3,631,000	R620,544	R9,680,035
<b>TOTAL</b>	<b>R42,425,146</b>	<b>R37,428,146</b>	<b>R42,424,000</b>	<b>R33,947,332</b>	<b>R 8,476,668</b>

Table 2.1.1.8 MIG Project Expenditure (Actual expenditure)

Project	Project	Approved	Remarks	2008/2009
Registration	Description	Amount		Total Expenditure
MIG/GT0237/SW/05/07	Fochville: Landfill Site <b>P688</b>	R 3,771,930.00	Multi Year	<b>R1,062,168.44</b>
MIG/GT0236/W/05/07	Wedela Waste Water Treatment Works <b>P689</b>	R 456,000.00	Multi Year	<b>R 0.00</b>
MIG/GT0286/RR/05/07	Wedela: Refuse Removal <b>P672</b>	R 570,000.00	Multi Year	<b>R 0.00</b>
MIG/GT0290/CF(ST,T)/05/07	Merafong: Hawker Stalls <b>P676</b>	R 1,522,650.00		<b>R 0.00</b>
MIG/GT0292/CF(CE)/05/07	Wedela Cemetery <b>P679</b>	R 413,590.00	Completed	<b>R291,400.55</b>
MIG/GT0360/FS/05/06	Feasibility Studies <b>P680</b>	R 500,000.00	Completed	<b>R 0.00</b>
MIG/GT0372/W/05/06	Borehole Develop: Merafong Informal <b>P690</b>	R 772,070.00	Multi Year	<b>R 0.00</b>
MIG/GT0230/S/05/07	Kokosi Waste Water Treatment Plant <b>P682</b>	R 34,000,000.00	Multi Year	<b>R 13,958,154.99</b>
MIG/GT0001/S/05/07	Khutsong Waste Water Treatment Plant <b>P692</b>	R 26,000,000.00	Multi Year	<b>R7,864,004.82</b>
MIG/NW/0485/W/06/07	Water Loss Management Phase 2 <b>P643</b>	R 582,558.00	Completed	<b>R 262,855.25</b>
MIG/NW/0479/CE(CF)/06/08	Khutsong South Cemetery <b>P645</b>	R 1,279,070.00	Completed	<b>R900,907.90</b>
MIG/NW/0476/MP(CF)/06/08	Wedela Multi Purpose Facility Phase2 <b>P646</b>	R 581,395.00		<b>R0.00</b>
MIG/GT0231/S/05/06	Kokosi x99 Eradication of Bucket Systems <b>P647</b>	R 5,000,000.00	Completed	<b>R 212,867.20</b>
MIG/NW/0486/R/06/08	Greenspark Access Roads <b>P648</b>	R 4,495,448.00	Completed	<b>R 2,435,068.11</b>
MIG/NW00771/SW/08/12	Rooipoot Landfill Site Upgrade 2	R 14,797,510.00	Construction	<b>R 830,326.88</b>
	Provision of Sanitation Informal Area <b>P635</b>	R 1,533,748.85	Construction	<b>R282,626.00</b>
	Bulk Services Khutsong 1, 2 & 3 <b>P566</b>	R105,000,000.00	Construction	<b>R31,912,624.42</b>
	Khutsong South Stadium Batswaneng <b>P600</b>	R2,223,333.43	Construction	<b>R2,344,400.82</b>
	Library Khutsong <b>P608</b>	R4,000,000.00	Multi Year	<b>R442,894.74</b>
	Library Blybank <b>P609</b>	R1,350,000.00	Multi Year	<b>R1,768.00</b>
	Library Greenspark <b>P610</b>	R3,000,000.00	Multi Year	<b>R0.00</b>
<b>Total Expenditure</b>		<b>R 209,745,258.28</b>		<b>R 351,729,878.78</b>



Table 2.1.1.1.9 Dora Three Year Capital Expenditure 2007 - 2009

Project no	Metro/ District Municipality/ Municipality	Project Description	Approved amount	Implementation period		Status	Total expenditure for 06/07	Total expenditure for 07/08	Total expenditure for 08/09	Total expenditure on project	Balance available on project
				Start	End						
MIG/GT0001/S/05/07	MCLM-NW405	Khutsong Waste Water Treatment Plant P692	R26,000,000	2006/03/31	2008/03/31	Construction	R7,491,093.74	R13,833,606.59	R9,664,294.78	R33,594,170.21	-R7,594,170.21
MIG/GT0230/S/05/07	MCLM-NW405	Kokosi Waste Water Treatment Plant P682	R34,000,000	2005/09/30	2008/03/31	Construction	R17,334,098.09	R11,461,491.22	R18,295,347.05	R50,583,856.73	-R16,583,856.73
MIG/GT0231/S/05/06	MCLM-NW405	Kokosi X5: Eradication of buckets (Phase 2) P647	R5,000,000	2005/07/01	2007/03/31	Completed	R3,219,610.25	R1,500,622.24	R242,668.61	R4,962,901.10	R37,098.90
MIG/GT0232/SW/05/06	MCLM-NW405	Rooipoot Landfill site – upgrade P678	R600,000			Construction	R543,882.02	R0.00	R0.00	R600,000	R0.00
MIG/GT0233/W/05/06	MCLM-NW405	Kokosi X99 Eradication of buckets (Phase 2)	R2,709,000			Completed	R1,542,570.63	R0.00	R0.00	R2,709,000	R0.00
MIG/GT0235/S/05/06	MCLM-NW405	Informal Sanitation Farm Areas (Phase 2)	R4,385,965	2005/10/30	2008/01/02	Completed	R1,682,264.43	R0.00	R0.00	R4,322,282.92	R63,682.08
MIG/GT0236/W/05/07	MCLM-NW405	Wedela Waste Water Treatment Works	R400,000			Design and tender	R7,589.49	R130,944.70	R0.00	R265,025.67	R134,974.33
MIG/GT0237/SW/05/07	MCLM-NW405	Fochville Landfill Site (Phase 2) P688	R3,771,930			Construction	R527,631.27	R267,806.58	R266,091.39	R1,061,529.24	R2,710,400.76
MIG/GT0240/W/05/06	MCLM-NW405	Water Loss Management (Phase 1) P681	R614,035	2006/11/01	2007/03/31	Construction	R423,032.55	R214,168.80	R0.00	R638,870.95	-R24,835.95
MIG/GT0279/R/ST/05/06	MCLM-NW405	Kokosi Taxi Route (Phase 3) P641	R1,500,000			Completed	R1,070,169.24	R0.00	R0.00	R1,499,998.41	R1.59
MIG/GT0280/CF/TR/06/07	MCLM-NW405	Kokosi Taxi Facilities P671	R500,000	2005/12/02	2007/07/10	Construction	R266,528.37	R36,529.27	R0.00	R408,111.08	R91,888.92
MIG/GT0286/RR/05/07	MCLM-NW405	Wedela Refuse Removal P672	R570,000			Construction	R65,648.28	R182,289.67	R0.00	R247,937.95	R322,062.05
MIG/GT0287/R/ST/05/06	MCLM-NW405	Wedela Roads and Storm water (Phase 2) P667	R1,500,000	2006/03/03	2008/03/03	Completed	R1,286,681.87	R56,992.78	R0.00	R1,471,643.01	R28,356.99
MIG/GT0288/SL/05/06	MCLM-NW405	Khutsong/Kokosi Streetlights (Phase 2) P691	R570,000	2006/04/21	2007/04/01	Completed	R557,543.02	R0.00	R0.00	R557,543.02	R12,456.98
MIG/GT0289/CF/S/05/06	MCLM-NW405	Sidewalks: Khutsong/Kokosi/Wedela P670	R1,000,000	2005/08/22	2007/08/27	Construction	R929,828.93	R58,724.05	R0.00	R989,812.98	R10,187.02
MIG/GT0290/CF/ST/1/05/07	MCLM-NW405	Meratong Hawker Stalls P676	R1,522,650	2005/07/01	2007/03/31	Completed	R421,998.77	R0.00	R75,038.56	R1,525,922.26	-R3,272.26
MIG/GT0292/CF/CE/05/07	MCLM-NW405	Wedela Cemetery P679	R413,590	2005/07/01	2007/03/31	Construction	R16,469.75	R0.00	R72,025.18	R88,494.93	R325,095.07
IG/GT0293/CF/bs/06/07	MCLM-NW405	Meratong: Taxi Bus Shelters P673	R406,348	2005/09/30	2006/08/31	Completed	R328,407.06	R0.00	R0.00	R380,488.41	R25,859.59
MIG/GT0296/CF/MP/05/06	MCLM-NW405	Wedela Multi Purpose Facility P674	R650,000	2005/08/10	2008/01/18	Completed	R581,806.23	R0.00	R27,677.16	R664,243.58	-R14,243.58
MIG/GT0360/FS/05/06	MCLM-NW405	Feasibility studies P680	R500,000			Design & Tender	R109,625	R22,500	R0.00	R239,000	R261,000
MIG/GT0372/W/05/06	MCLM-NW405	Borehole Development (Phase 2) P690	R772,070			Design & Tender	R19,786	R0.00	R0.00	R19,786	R752,284
MIG/NW0476/MP/G/06/08	MCLM-NW405	Wedela: Multi Purpose Facility (Phase 2) P646	R581,395	2005/08/10	2008/01/18	Completed	R194,251.99	R273,163.60	R18,495.61	R485,913.20	R95,481.80
MIG/NW0477/R/06/06	MCLM-NW405	Upgrading of Roads – Meratong (Phase 2) P644	R801,660			Completed	R0.00	R760,965.36	R0.00	R760,965.36	R40,694.64
MIG/NW0485/W/06/07	MCLM-NW405	Water Loss Management (Phase 2) P643	R582,558			Construction	R0.00	R313,799.68	R262,978.83	R576,778.51	R5,779.49
MIG/NW0486/R/06/08	MCLM-NW405	Greenspark: Access Roads P648	R4,495,448			Completed	R0.00	R1,050,790.61	R2,960,742.17	R4,011,532.78	R483,915.22
MIG/NW0479/CF/CF/06/08	MCLM-NW405	Khutsong South Cemetery (Extension) P645	R1,279,070			Construction	R0.00	R0.00	R811,452	R811,452	R467,618
MIG/NW000771/SW/08/12	MCLM-NW405	Rooipoot Landfill Site Upgrade 2 (Transfer station)	R14,797,510			Construction	R0.00	R0.00	R337,106.92	R937,106.92	R13,860,403.08
PMU Meratong	MCLM-NW405	Management fees	R138,219,336				R40,439,764.55	30,184,397.15	33,633,918.26	142,710,474.62	(R4,491,138.62)
			R6,492,572				R1,232,321.38	R1,237,324.97	R1,401,023.79	R5,892,625.94	R599,946.06
Total Committed Projects			R144,711,908				R41,672,085.93	R31,421,722.12	R35,034,942.05	R148,603,100.56	-R3,891,192.56

Table 2.1.1.1.10 Dora Three Year Capital Expenditure 2009 - 2012

PROJECT DESCRIPTION	Approved Amount	Project Status	Amount Spend on project	Committed 2009/2010	Committed 2010/2011	Committed 2011/2012	TOTALS
Kokosi/Fochville: Landfill Site <b>P688</b>	R3,771,930	Construction	R1,061,529	R2,133,503			
Wedela Waste Water Treatment Works <b>P689</b>	R456,000	Design	R265,026				
Wedela: Refuse Removal <b>P672</b>	R570,000	Design	R247,938	R322,000			
Wedela Cemetery <b>P679</b>	R413,590	Completed	R88,495	R68,000			
Feasibility Studies <b>P680</b>	R500,000	Execution	R239,000				
Borehole Develop: Merafong Informal <b>P690</b>	R772,070	Design	R19,786	R752,284			
Kokosi Waste Water Treatment Plant <b>P682</b>	R34,000,000	Construction	R34,000,000				
Khutsong Waste Water Treatment Plant <b>P692</b>	R26,000,000	Construction	R26,000,000				
Roopoot Landfill site (upgrade 2)	R14,797,510	Design/Tender	R937,107				
Merafong: Construction of new taxi rank (Kokosi)	5,251,504	Design		R7,310,403	R500,000	R13,860,403	
Merafong: Upgrade parking facilities at schools	975,000	Design		R2,700,000	R1,050,301	R300,000	R5,300,000
Merafong: Construction of existing pavements (walkways)	11,456,250	Design		R50,000	R1,000,000		R1,000,000
Merafong: Kokosi X6 Construction of roads	5,557,500	Design		R6,056,250	R4,925,000	R475,000	R11,456,250
				R3,665,000	R1,111,500	R235,000	R5,700,000
<b>AMOUNTS APPLIED FOR:</b>							
Merafong: Sanitation Informal Areas	R12,797,121	B/Plan registration		R4,300,000	R5,500,000	R2,547,832	R12,347,832
Kokosi Waste Water Treatment Plant (Extended)	R18,656,282	B/Plan registration	R16,583,857	R2,350,000			R2,350,000
Khutsong Waste Water Treatment Plant (Ext)	R4,045,101	B/Plan registration	R7,594,170	R856,678			R856,678
Kokosi X5 Ring road (Construction)	R3,500,000	B/Plan registration		R2,300,000	R1,050,000	R150,000	R3,500,000
Khutsong South – Construction of storm water system (phase 3)	R7,669,087	B/Plan registration			R850,000	R3,650,000	R4,500,000
Merafong streetlights	R2,458,950	B/Plan registration		R2,358,855	R100,000		R2,458,855
Merafong: Construction of new taxi rank (Wedela)	R5,251,504	B/Plan registration				R5,500,000	R5,500,000
Merafong: Upgrading and extension of taxi ranks	R4,582,500	B/Plan registration			R761,834	R3,753,166	R4,515,000
Merafong: Municipal Disaster Management Centre	R4,874,999	B/Plan registration		R2,100,000	R2,774,999		R4,874,999
Merafong: Construction of new taxi rank (Blybank)	R5,251,504	B/Plan registration		R2,319,964	R2,856,194	R210,000	R5,386,158
Merafong: Loading zones at taxi areas	R2,000,000	B/Plan registration		R1,900,000	R100,000		R2,000,000
Merafong: Streetlights conversion	R1,813,000	B/Plan registration		R1,813,000			R1,813,000
Blybank Reservoir	R6,500,000	B/Plan registration		R855,000	R5,385,000	R260,000	R6,500,000
Upgrading supply to reservoir – Khutsong Ext 1,2 & 3	R6,000,000	B/Plan registration		R1,000,000	R4,770,000	R230,000	R6,000,000
Industrial Hive (C/ville) Ext 6	R3,000,000	B/Plan registration		R1,130,000	R1,870,000		R3,000,000
Fochville closure of Solid Waste Landfill Site	R31,400,000	B/Plan registration			R3,000,000	R140,000	R3,140,000
Water Pipeline Fochville	R800,000	B/Plan registration				R800,000	R800,000
Water loss Management Study Phase 3	R600,000	B/Plan registration				R600,000	R600,000
Outfall Sewer Fochville Ext 6	R7,500,000	B/Plan registration				R7,500,000	R7,500,000
Upgrading of Existing Storm Water System	R5,000,000	B/Plan registration				R5,000,000	R5,000,000
Kokosi Community Hall	R1,200,000	B/Plan registration				R1,200,000	R1,200,000
Facilities for the Disabled	R1,500,000	B/Plan registration				R1,500,000	R1,500,000
Khutsong Ext 1,2 & 3 roads	R35,000,000	B/Plan registration				R24,140,522	R24,140,522
PMU Operational Budget 2009/2010	R1,743,000	B/Plan registration		R1,743,000	R2,033,320	R2,445,480	R6,221,800
<b>TOTAL COMMITTED</b>	<b>R277,664,402</b>		<b>R87,036,908</b>	<b>R43,575,000</b>	<b>R50,833,000</b>	<b>R61,137,000</b>	<b>R268,500,548</b>



Table 2.1.1.1.1 Performance on Service Delivery Backlogs

Project Description	08/09			09/10			10/11		
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual
<b>Water Backlogs (GKL per month)</b>									
Backlogs to be eliminated (No households not receiving Minimum Standard of Services) ( <i>Housing backlogs not included</i> )	19,134	4,000	3,000	15,134	4,000	N/A	11,134	4,000	N/A
Spending on New Infrastructure to eliminate backlogs (R'000)	86,534,440	37,346,575	272,000	82,799,765	26,313,875	N/A	79,065,090	64,590,675	N/A
Spending on Operational Budget (R'000)	2,054,000	2,054,000	1,704,520	2,320,000	2,550,240	N/A	2,505,600	1,871,010	N/A
Total spending to eliminate backlogs (R'000)	88,588,440	39,400,575	1,976,520	85,119,765	28,864,115	N/A	81,570,690	66,461,685	N/A
<b>Sanitation Backlogs</b>									
Backlogs to be eliminated (No households not receiving Minimum Standard of Services) ( <i>Housing backlogs not included</i> )	18,867	3,800	3,000	15,067	3,800	N/A	11,267	3,800	N/A
Spending on New Infrastructure to eliminate backlogs (R'000)	124,218,011	164,700	1,500,000	124,053,311	5,767,000	N/A	118,286,311	5,200,000	N/A
Spending on Operational Budget (R'000)	1,690,000	1,690,000	1,752,000	2,010,000	1,791,400	N/A	2,754,259	2,119,920	N/A
Total spending to eliminate backlogs (R'000)	125,908,011	1,854,700	3,252,000	126,063,311	7,558,400	N/A	121,040,570	7,319,920	N/A
<b>Electricity Backlogs (50KWH per month)</b>									
Backlogs to be eliminated (No households not receiving Minimum Standard of Services) ( <i>Housing backlogs not included</i> )	362	3,887,520	85	402	4,120,771	N/A	5,500	1,000	N/A
Spending on New Infrastructure to eliminate backlogs (R'000)	55,060,000	19,900,000	18,600,000	58,770,000	43,908,000	N/A	33,150,000	4,700,000	N/A
Spending on Operational Budget (R'000)	8,000,000	2,438,614	2,358,981	8,000,000	2,992,146	N/A	10,000,000	TBC	N/A
Total spending to eliminate backlogs (R'000)	63,060,000	22,338,614	20,958,981	55,340,000	46,900,146	N/A	43,150,000	TBC	N/A
<b>Roads Backlogs</b>									
Backlogs to be eliminated (No households not receiving Minimum Standard of Services)	248,300.00	4,495,448	4,016,532.78	4,495,443.84	3,416,537.32	N/A	386,108,619	160,798,352	N/A
Spending on New Infrastructure to eliminate backlogs (R'000)	257,943,117	107,466,700	4,016,532.78	150,476,417	113,914,702	N/A	401,103,749	167,111,635	N/A
Spending on Operational Budget (R'000)	250,000,000	987,390	1,060,965	265,000,000	1,046,633	N/A	2,293,967	2,548,853	N/A
Total spending to eliminate backlogs (R'000)	507,943,117	108,454,090	504,062.78	415,476,417	114,961,335	N/A	403,397,716	169,660,488	N/A
<b>Refuse Removal Backlogs</b>									
Backlogs to be eliminated (No households not receiving Minimum Standard of Services)	1,384	2,221,643	1,002,458.80	3,708	2,900,694.20	N/A	4,979	4,206,856.80	N/A

## 2.1.2 COMMUNITY SERVICES

The department Community Services comprises of the following sections:

- Sport, Recreation, Arts, Culture, Heritage, Library Information Services, Parks and Cemeteries
- Public Safety and Security
- Waste Management

### SECTION: SRACH & LIS

The main focus of this section is to provide access to facilities when the need arises from the community. This section also formed a partnership with the mining houses and achieved the following projects:

#### Harmony Mine

- Upgrading of Elandsrand library and received three computers as a donation;
- Books to the value of R25 000-00 for Fochville, Wedela and Carletonville libraries;
- 17 Computers donated for Kokosi, Wedela, MPCC Khutsong, Welverdiend and Carletonville libraries;

#### East Driefontein Mine

- Upgrading of East Driefontein Library;

In Parks and Cemeteries Section the following projects were completed, viz:

- New ablution facilities;
- New hothouse;
- Phase 2 Khutsong cemetery fencing and road;

A total of 8 pauper burials, 26 babies, 7 children and 56 adult indigent burials were concluded through the implementation of the Indigent burial policy of Council.

The maintenance of older community facilities is still a major challenge faced by the section due to financial constraints.

### SECTION: PUBLIC SAFETY AND SECURITY

The section maintains a high level of competence and managed to train 23 officials as peace officers, 42 fire fighters trained on high angle 1 rescue, 16 fire fighters trained in fire fighting, 1 & 2, Hazmat and 20 officials in traffic underwent basic firearm training. The Section: Fire and Rescue won the National Toughest Fire Fighter competition and the National Breathing Apparatus Relay.

Even though the Section: Licensing had numerous complaints from the community when the new booking system was implemented, there is a huge improvement, no more long queues and the booking is done on daily basis. A total of 39049 vehicles were registered.

A serious challenge is experienced in the Section: Security which poses a huge risk to Council. However, this challenge can be addressed by the appointment of a Manager: Minimum Information Security Standards. Numerous cases of theft including copper cable, equipment and robbery were reported.

Social crime prevention (CMP) - eight illegal shebeens were closed. Sixteen people were arrested and liquor confiscated. Re-a-kolomaka operation was conducted during which 20 illegals were arrested. School visits were also conducted and drugs were confiscated. Christmas rally was held in Merafong City, during which 5 destitute families were given hampers.

The other challenge faced by the Section: Traffic is the increased number of accidents that happens at night due to drunken driving when the traffic officers are off duty. The possibility of implementing a three shift system is investigated to reduce the number of accidents by night.

## SECTION: WASTE MANAGEMENT

Door-to-door household refuse removal service has been increased from 95,3% to 102%. Authorization has been granted by the Department of Agriculture, Conservation and Environment (Northwest DACE) for the construction of a waste transfer station at Fochville. The positive Record of Decision (ROD) was released to that effect. Construction of the transfer station is underway and envisaged to be completed by end of September 2009.

An application for closure and rehabilitation of Fochville landfill site has been approved by the National Department of Water and Environmental Affairs. The project process for implementation of rehabilitation is unfolding.

The process of removal of illegal dumping throughout the Municipality commenced during April 2009 and was completed by end of June 2009 with the cost of R543 950,00. Lack of participation by communities causes the reoccurrence of the illegal dumping. The department embarked on community outreach programme awareness campaign to impart knowledge on waste management.

The street cleansing section of the department displayed high level of commitment and innovation by commencing with street cleansing services between 05h00 and 06h00 in the morning. This is a safe operation because it is off peak hours for traffic and is creating an impressive environmental outlook in the early hours of the day.

SAMWU's strike which started on the 29th of April 2009 and ended on the 8th of May 2009 had a serious impact on service delivery. Only 10% of the total personnel reported for duty and the service delivery of the department was honoured to be hindered. Service providers were appointed to resume with the refuse removal and street cleansing. Cost to the municipality on the contingency plan was R110,352-00. The damage to property (1 x street cleansing trolley and 9 x concrete litter bins) is at cost of R7,800-00.

Temporary storage at the old Andrew Tennant swimming pool in Fochville has been in use, while the process of permitting and construction of Fochville transfer station is in process. The level of positive co-operation by the neighbours of this facility is appreciated. This site will be closed immediately when construction of Fochville transfer station is completed in September 2009.

A serious challenge facing this section is under staffing, lack of professionals in the section as the Manager: Waste Management is the only professional person in the section and will not be able to perform in relation to administrative and operational requirements. This can have a negative impact on service delivery if not given urgent attention.

### 2.1.3 ECONOMIC DEVELOPMENT & PLANNING

The department comprises of the following sections:

- Spatial Planning & Environmental Management
- Local Economic Development & Tourism
- Housing Administration
- Integrated Development Planning & Performance Management System

## SECTION: SPATIAL PLANNING & ENVIRONMENTAL MANAGEMENT

The main responsibilities of the section are to ensure the creation of sustainable human settlements through the integration of social, economic, institutional and physical aspects of land development.

During the year of review a total of 287 complete land-use applications have been received and processed. This constitutes an increase of 56,8% year on year despite the declining trend in the economy. A total of 6 new township establishment applications have been approved by Council in line with the Integrated Planning Principles, creating a total of 7042 new stands.

The table below indicates the respective land uses for the new stands created to give effect to the integration of social, economic, institutional and physical aspects of land development.

Table 2.1.3.1 Respective land uses – new stands created

Town	Land Use	Number of Erven	Extent (ha)
Carletonville X17	Res 1	2202	87,66
	Res 2	4	16,75
	Public Garage	1	0,6
	Taxi rank	1	1,19
	Community Facility	1	1,35
	Public Open Space	3	5,54
	Commercial	27	10,81
	Educational	1	1,40
	Undetermined	1	1,78
	Street		44,13
	<b>Total</b>	<b>2241</b>	<b>171,21</b>
Carletonville X18	Business 1	1	15,0
	Business 2	1	2,0
	Res 3	1	1,9
	<b>Total</b>	<b>3</b>	<b>18,90</b>
Fochville X3	Res 1	122	11,2777
	Res 2	4	1,4657
	Special for Access	1	1,9943
	Special for Clubhouse	1	0,1209
	Public Open Space	5	0,7547
	Proposed Public Road		0,2002
	<b>Total</b>	<b>133</b>	<b>15,8135</b>
Greenspark X1	Res 1	345	10,23
	Special for crèche	1	0,12
	Special for church	1	0,27
	Public Open Space	2	3,70
	<b>Total</b>	<b>349</b>	<b>14,32</b>
Kokosi X6	Res 1	2178	74,68
	Res 2	3	14,1
	Business 2	2	0,98
	Institutional	5	3,32
	Municipal	3	1,7
	Public Open Space	7	1,8
	<b>Total</b>	<b>2198</b>	<b>120</b>
Khutsong South X4	Res 1	2137	72,24
	Business 1	5	1,1
	Taxi Rank	2	0,18
	Community Facility	6	0,65
	Primary School	3	1,27
	Creche	2	0,20
	Church	3	0,10
	S.A.R	15	2,71
	Pedestrian Wall ay	2	0,18
	Park	1	10,61
	Urban Agriculture	2	51,44
	Sports fields		0,69
	<b>Total</b>	<b>2180</b>	<b>141,37</b>



This section was also successful in improving effective and efficient service delivery through the streamlining of administrative processes to reduce turn-around times on applications. The total turn-around time on all applications, indicated as an average, reduced by 11% during the year, which is a significant improvement in service delivery.

The municipality successfully reviewed its spatial development framework in line with the following criteria: integrated communities, local economic development, the physical, social and economic environment and sustainable development. All applications are evaluated in accordance with the Spatial Development Framework as the guide to sustainable development.

A capital investment framework linked with the spatial development framework ensures that infrastructure investment is prioritized in identified growth areas and prioritized areas to eradicate backlogs.

The Section also successfully implemented phase 4 of the Geographic Information System for Merafong City that gives the section the capability to edit and maintain the GIS internally. The necessary capacity has been created to enable the GIS technician to undertake these activities improving the effectiveness and efficiency of the system.

A Senior Environmental Management Officer was appointed in the newly created Environmental Management Section. Unfortunately the position became vacant in February 2009. During the year the section successfully developed audit protocols on projects in accordance with the RoDs. This section could not fulfill its full responsibilities due to the resignation of the only official in the section.

## **SECTION: LOCAL ECONOMIC DEVELOPMENT & TOURISM**

The LED section plays a pivotal role in creating an enabling environment for business development. The building blocks of the LED strategy includes:

- The understanding of the local economy, its' sectors and resources
- Strategic decisions to promote job creation and the reduction of poverty levels
- Identify competitive advantages
- Implement concepts of value add, multipliers, linkages, complementary of labour, goods and services, through direct, indirect and induced effects on strategic projects.
- Create job opportunities through infrastructure development, e.g. local contracting, sub contracting and preferential procurement

The section successfully reviewed the trends in the local economy informing the reviewed Growth and Development Strategy to focus on the following priority areas:

- The revised Growth and Develop Strategy is a strategic and practical approach towards local economic development in Merafong.
- Developed a strategic policy to promote job creation through infrastructure development on priority projects. This policy forms the basis for requirements included in tenders such as a provision for local content and employment
- The concepts of value add has been thoroughly researched through an economic impact study on the impact on the Khutsong Resettlement project on the local economy. This study was adopted by Council as part of its Growth and Development Strategy.
- A detailed business audit to identify priorities as indicated by the business community.



A dedicated tourism officer was appointed at the end of the previous financial year. This function was thoroughly established during the year of review and a tourism plan was developed and successfully implemented. Good progress has been made to research heritage sites with the potential of tourism attractions. The Heritage Council has issued a draft report that must be further researched in detail. Prioritized heritage sites with tourism potential will ultimately be developed as tourism attractions. The challenge in this regard will be to secure funding for the development of these sites.

The section also developed a tourism brochure highlighting places of interest in the hospitality industry. This document was also launched at the Tourism Indaba in Kwa-Zulu Natal as part of the District Municipality exhibition.

The development of SMMEs remains a priority in the department. Twenty-five (25) SMME capacity building sessions were successfully conducted. The utilization of facilities for SMMEs was reported as a challenge in the previous financial year. The Kokosi Beehive has been fully utilized by 18 SMMEs. Maintenance support was provided to maintain the premises and support was given through branding and marketing of the businesses.

Social and Labour Plan projects has been implemented by the mining houses.

## **SECTION: HOUSING ADMINISTRATION**

The Housing Administration section is responsible for the administration of housing projects that includes beneficiary administration and project conveyancing. The section also administers the rental social housing portfolio of Council.

The municipality was the developer of 12 low cost housing projects at different stages of implementation during the year of review. Three of the projects are at close-off stage and only a few outstanding housing units were not completed due to rejected or untraceable beneficiaries. These cases are being dealt with at an ad-hoc problem solving basis.

The total expenditure on the said housing projects for the year amounts to R111,671,804. The expenditure on the special grant of R105 million for bulk infrastructure amounts to R31,912,625 included in the total housing expenditure. An amount of R222,091,918 was received for housing projects during the year of review.

A total of 1586 beneficiaries were approved during the year of review. The total outstanding beneficiary approvals on current projects is 4094 (total subsidies – total approves).

Good progress has been made during the year to register properties in the names of beneficiaries. A total of 1992 deeds have been submitted for registration. A total of 847 title deeds have been received back from the deeds office for hand over to beneficiaries.

A title deed hand-over ceremony of the different projects was initiated by the Executive Mayor during April 2009 and beneficiaries have been collecting their title deeds from the administration at a steady rate.

With regard to the social housing rental stock, a detailed audit was done on the waiting list. An electronic waiting list and approval system have been developed by the IT section to ensure improved control environment.

## **SECTION: IDP / PMS**

The 3rd review of the IDP 2006-2011 was successfully completed on time in accordance with the process plan to inform the 09/10 budget. The main achievements in this process was the internal analysis and services backlogs in accordance with the consolidated infrastructure plans (CIP) and the alignment of the data with the latest community survey (Stats, S.A data). This resulted in a shift in planning goals in accordance with realistic data.

The IDP was also successfully package in accordance with the new DLG guidelines and key performance areas. The implementation of the IDP and prioritization of service delivery areas for improved service delivery, was reviewed a strategic session and the strategic plans is included in the IDP as the strategic planning tool for the municipality.

The PMS framework was also reviewed and good progress has been made to implement the electronic performance management system. Many challenges were experienced during the implementation of the system to fully align the organizational and departmental performance plans to define indicators and targets that could be aligned to reliable data sources.

It was soon realized that for the year under review, a parallel system between the manual paper driven system and the electronic PMS had to be run. This was necessary to establish a good baseline for the full implementation of the ePMS for the 09/10.

The performance and development priorities as approved in the IDP, budget and adjustment budget is detailed in table 2.2.

### **2.1.4 DEPARTMENT OF CHIEF OPERATIONS OFFICER**

The department of the Chief Operation Officer is constituted by the following sections

- Programme Management Office
- Legal and Secretariat
- Human Capital (incl Industrial Relations & Employment Equity)
- Corporate Communications
- Political Support

#### **Information and Knowledge Management**

The PMO office has been instrumental in coordinating and quality checks on the submission of parliamentary questions, provincial and district reports, SALGA returns, DPLG returns, Municipal Demarcation Boards, responses from the municipality to the community, etc. The PMO office served as a one stop shop for information enquiries.

#### **Performance Management / Project Tracking**

In the year under review the PMO office has been able to track performance of 96 capital and operational projects in addition to 13 Mayoral Special Projects, in the municipality against their expenditure. In total there are 109 projects in the municipality for the year under review. A detailed description of the projects is given in Chapter 5. The general assessment and analysis on projects is that although in some instances procurement processes seemed to delay the projects, the municipality implemented most of the planned projects for the financial year contract under review. It has been a tedious exercise for project owners to start updating the status of their projects when the system of tracking was developed, but it is now accepted and working very well. The next process that the PMO envisages embarking on is the physical verification of progress on project versus the reported.

#### **Vendor and Contract Management**

The PMO office is playing a co-ordinating role between the project owners and legal section in ensuring that all appointed service providers to the municipality sign contracts and project charters are developed although due to capacity problems it's still a challenge for PMO to assist sections in the drawing up of charters, it is work in progress. There is a contract register developed and updated in case of a new appointed company. This register, in the future, will also allow project owners to assess and evaluate the work done by contract holders to ensure that contractors carry their work as efficient as possible.

#### **Management and Strategic Support**

In its' strive to offer program and project management support, PMO has co-ordinated the strategic planning for the municipality in the financial year under review. This includes sourcing professional facilitators, booking of venue and assisting in development of a final Municipal Strategic Plan document. The PMO office co-ordinates internal MANCO meetings from the dates and schedules to developing agendas.

### **2.1.5 FINANCE**

The department comprises of the following sections:

- Budget & Treasury
- Expenditure
- Income
- Credit Control & Client Services
- Supply Chain
- Information Communication and Technology Section

The performance highlights of this department include the following:

### **Effective Meter Reading**

The relationship between the municipality and the contractor has been excellent over the years and this has translated into a significant reduction in complaints on meters read and overall improvement in the billing process.

A more user friendly statement of account has been introduced.

### **Implementation of the Property Rates Act**

The Rating Act was implemented on 1 July 2008 and the public participation process as required in the Act was adhered to. The highlight of the implementation was when Council received affirmation from sectors such as the Agricultural Forum to implement and charge property tax as required by the Act. Rebates and exemptions were given to qualifying ratepayers.

Council experienced resistance from the community during the implementation process. Various community meetings were held to address the fears of the community. The implementation was painful for certain members of the community.

This was successful as depicted in the payment level of Assessment rates of 96.84% for the 2008/2009 financial year.

### **Credit Control**

Various actions were put in place to ensure that council collect the revenue owed to council.

The unstable situation in Khutsong since Merafong was transferred to North-West had deteriorated. This had spilled over to other areas. The demarcation issue had resulted in that the pay points in Khutsong were burnt down and payment levels had dropped to an all time low in this area. Subsequent to this, the pay point in Kokosi was also burnt down.

Council had appointed debt collecting Service providers to collect all outstanding Debt.

Integration of BIQ and Conlog was established to enable debt collection through the sale of pre-paid electricity as approved in Council's Credit Control Policy.

Council appointed third party vendors to ensure 24 hour vending of pre-paid electricity.

These actions were successful and council's payment levels have increased from an 85.68% in 2007/2008 to 87.66% in 2008/2009.

### **Indigent Management**

A verification committee was appointed and through the assistance of the ward committee indigents were identified.

Services to Indigents were restricted to remain within the limits of the subsidy.

### **Asset Management**

Council appointed a service provider to verify value and compile an infrastructure asset register as required by GRAP 17. This is a multi-year project that will be completed in the 2009/2010 financial year.

Council had purified Council's movable Asset Register and implements all Accounting Standards related to GRAP 17 (Moveable Assets).

### **Conversion and implementation of applicable GRAP standards**

All effective GRAP standards except GRAP 17 was fully implemented.

### **Implementation of an ICT strategy**

Implementation of the following activities, IT Policy, Microsoft Business Application compliance, software security and physical security in the server room, was rolled out during the financial year. Network infrastructure was upgraded.

The following table indicates the project performance on all projects identified in the IDP.

## 2.2 PERFORMANCE ON DEVELOPMENTAL PRIORITIES IDENTIFIED IN THE IDP

**PERIOD: JULY 2008 – JUNE 2009**

KP1: INFRASTRUCTURE DEVELOPMENT AND SERVICE DELIVERY							
HOUSING AND ADMINISTRATION							
Projects/Programs per development objective	Planned performance & measurement target	Key Performance Indicator	Actual Performance Achieved	Variance with planned performance	Improvement plan where applicable	Budget (R)	Actual expenditure (R)
Khutsong South Ext 1,2 & 3 Phase 1 (1500 units) <b>Project Nr : B07010011</b> <b>Vote Nr: P10575</b>	1500 stands to be serviced by 30 June 2009	<ul style="list-style-type: none"> <li>Implementation Phase</li> <li>1500 stands serviced</li> </ul>	<ul style="list-style-type: none"> <li>Implementation Phase</li> <li>Water and Sewer services installation 100% completed</li> </ul>	None	Not applicable	R40,314,936.00	R24,243,977.95
Khutsong South Ext 1,2 & 3 Phase 2 (4000 units) <b>Project Nr: B07010012</b> <b>Vote Nr: P10575</b>	2000 stands to be serviced by 30 June 2009	<ul style="list-style-type: none"> <li>Implementation Phase</li> <li>2000 stands serviced</li> </ul>	<ul style="list-style-type: none"> <li>Implementation Phase</li> <li>Services installation: Water: 100% completed Sewer: 100% completed (in respect of planned performance)</li> </ul>	None	Not applicable	R41 756 000.00	R19,311,090.00
Khutsong South Ext 1,2 & 3 (Ad hoc) Bulk Services	Installation of bulk services		Water services 100% completed in respect of 1500 stands Sewer services 50 % completed in respect of 4000 stands (multiyear project)	None	Not applicable	R48,383,369.00	R27,552,117.35